As filed with the Securities and Exchange Commission on June 7, 2024.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Alumis Inc.

(Exact name of registrant as specified in its charter)

Delaware	**2834**	**86-1771129**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

Alumis Inc.
280 East Grand Avenue
South San Francisco, California 94080
(650) 231-6625

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Martin Babler
President and Chief Executive Officer
280 East Grand Avenue
South San Francisco, California 94080
(650) 231-6625

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Dave Peinsipp **Kristin VanderPas** **Lauren Creel** **Cooley LLP** **3 Embarcadero Center, 20th Floor** **San Francisco, California 94111** **(415) 693-2000**	**John Schroer** **Chief Financial Officer** **280 East Grand Avenue** **South San Francisco, California 94080** **(650) 231-6625**	**B. Shayne Kennedy** **Ross McAloon** **Latham & Watkins LLP** **505 Montgomery Street, Suite 2000** **San Francisco, California 94111** **(415) 391-0600**

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

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

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

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

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

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

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

Subject to Completion.
Dated June 7, 2024.

Shares

Common Stock

This is an initial public offering of shares of common stock of Alumis Inc. We are offering shares of our common stock to be sold in the offering.

Prior to this offering, there has been no public market for our common stock. It is currently estimated that the initial public offering price per share will be between $ and $. We have applied to list our common stock on the Nasdaq Global Market (Nasdaq) under the symbol "ALMS." We believe that upon the completion of this offering, we will meet the standards for listing on Nasdaq, and the closing of this offering is contingent upon such listing.

We have two classes of common stock: the voting common stock offered hereby and non-voting common stock. The rights of the holders of common stock and non-voting common stock are identical, except with respect to voting and conversion. Each share of common stock is entitled to one vote and is not convertible into any other class of our share capital. Shares of non-voting common stock are non-voting, except as may be required by law. Each share of non-voting common stock may be converted at any time into one share of common stock at the option of its holder, subject to the beneficial ownership limitations provided for in our amended and restated certificate of incorporation. See the section titled "Description of Capital Stock" beginning on page 184 of this prospectus for more information on the rights of the holders of our common stock and non-voting common stock. We are offering voting common stock in this offering, and unless otherwise noted, all references in this prospectus to our "common stock" "common shares" or "shares" refer to our voting common stock. The non-voting common stock will not be listed for trading on any securities exchange.

See the section titled "Risk Factors" beginning on page 13 to read about factors you should consider before buying shares of the common stock.

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

We are an "emerging growth company" and a "smaller reporting company" as defined under the U.S. federal securities laws and, as such, may elect to comply with certain reduced public company reporting requirements in future reports after the closing of this offering. See the section titled "Prospectus Summary—Implications of Being an Emerging Growth Company and a Smaller Reporting Company."

	Per Share	*Total*
Initial public offering price	*$*	*$*
Underwriting discounts and commissions[1]	*$*	*$*
Proceeds, before expenses, to Alumis	*$*	*$*

(1) See the section titled "Underwriting" beginning on page 195 for additional information regarding underwriter compensation.

We have granted the underwriters an option to purchase up to an additional shares from us at the initial public offering price, less the underwriting discount and commissions. The underwriters may exercise this right at any time within 30 days after the date of this prospectus.

The underwriters expect to deliver the shares to purchasers on or about , 2024.

Morgan Stanley Leerink Partners Cantor Guggenheim Securities

Prospectus dated , 2024.

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Neither we nor the underwriters have authorized anyone to provide you any information or make any representations other than those contained in this prospectus or in any free writing prospectuses prepared by or on behalf of us or to which we have referred you. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the underwriters are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus or in any applicable free writing prospectus is current only as of its date, regardless of its time of delivery or any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

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

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus and is qualified in its entirety by the more detailed information and financial statements included elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should carefully read this entire prospectus, including the information under the sections titled "Risk Factors," "Special Note Regarding Forward-Looking Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus, before making an investment decision. Unless the context requires otherwise, references in this prospectus to "Alumis," the "Company," "we," "us" and "our" refer to Alumis Inc.

Overview

Our mission is to significantly improve the lives of patients by replacing broad immunosuppression with targeted therapies. Our name, Alumis, captures our mission to enlighten immunology, and is inspired by the words "allumer"—French for illuminate—and "immunis"—Latin for the immune system.

We are a clinical stage biopharmaceutical company with an initial focus on developing our two Tyrosine Kinase 2 (TYK2) inhibitors: ESK-001, a second-generation inhibitor that we are developing to maximize target inhibition and optimize tolerability, and A-005, a central nervous system (CNS) penetrant molecule. ESK-001 has demonstrated significant therapeutic effect in our Phase 2 program in patients with PsO, which we define as moderate-to-severe plaque psoriasis (PsO), and is currently being evaluated in additional Phase 2 clinical trials in patients with systemic lupus erythematosus (SLE) and non-infectious uveitis (Uveitis), for which we expect to report results in 2026 and by the end of 2024, respectively. With the favorable results in our Phase 2 clinical trial in PsO, we intend to initiate multiple Phase 3 clinical trials of ESK-001 in the second half of 2024 in this indication. TYK2 genetic mutations are associated with a strong protective effect in multiple sclerosis, motivating us to develop our second product candidate, A-005, as a CNS-penetrant, allosteric TYK2 inhibitor for neuroinflammatory and neurodegenerative diseases. In April 2024, we initiated our Phase 1 program of A-005 in healthy volunteers and expect to report initial results by the end of 2024.

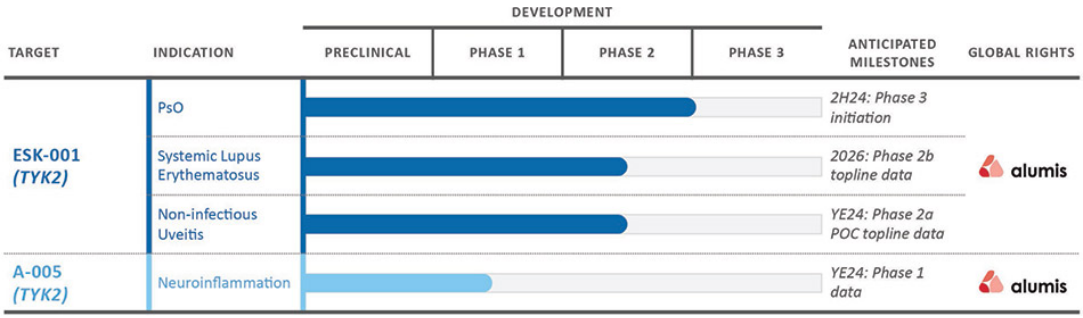
We utilize our proprietary precision data analytics platform, biological insights and team of experienced research and development experts to deepen our understanding of disease pathologies, accelerate research and development and increase the probability of clinical success. Our collective insights informed our selection of TYK2 as the target for our two lead programs. Beyond TYK2, our proprietary precision data analytics platform and drug discovery expertise have led to the identification of additional preclinical programs that exemplify our precision approach.

We recognize that patients living with immune-mediated diseases need alternatives to currently available therapies. Despite recent advances and innovations in the treatment of immune-mediated diseases, many patients continue to suffer, cycling through currently approved therapies while looking for a solution that alleviates the debilitating impact of their disease without life-limiting side effects.

Addressing the needs of these patients is why we exist. We are pioneering a precision approach that leverages insights derived from powerful data analytics to select the right target, right molecule, right indication, right patient, right endpoint and right combination to dramatically improve patient outcomes. We believe that combining our insights with an integrated approach to drug development will produce the next generation of treatments to address immune dysfunction.

Our Pipeline

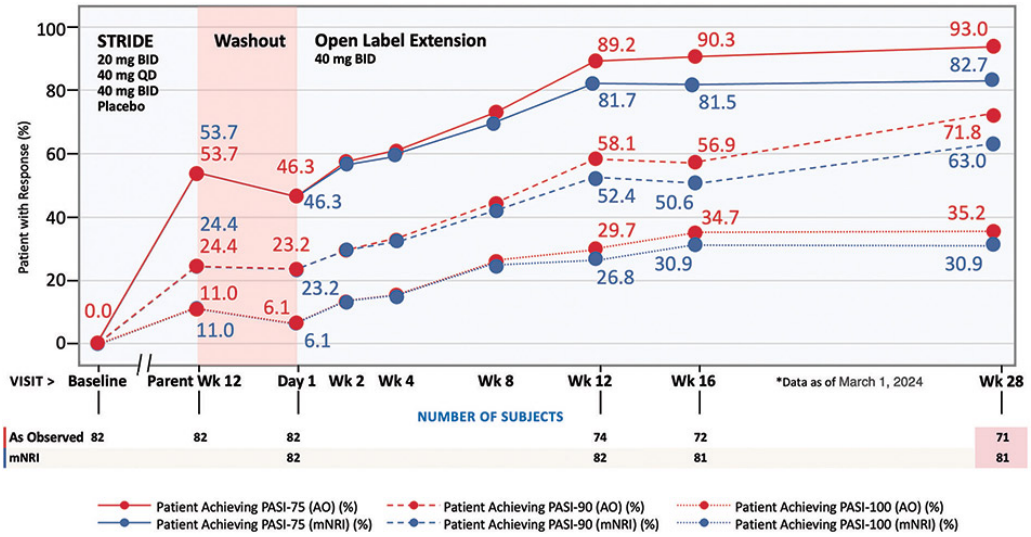
We are building a pipeline of molecules with the potential to address a broad range of immune-mediated diseases as monotherapy or combination therapies. Within our TYK2 franchise, we are developing our most advanced product candidate, ESK-001, an allosteric TYK2 inhibitor for the treatment of PsO, SLE and Uveitis. We are developing our second TYK2 product candidate, A-005, as a CNS-penetrant, allosteric TYK2 inhibitor, to offer the therapeutic benefit of TYK2 inhibition within the CNS for a broad range of neuroinflammatory and neurodegenerative diseases.



Our most advanced product candidate, ESK-001, is an oral, highly selective, small molecule, allosteric inhibitor of TYK2. At the 2024 American Academy of Dermatology (AAD) Annual Meeting in March 2024, we announced positive data from our Phase 2 clinical program of ESK-001 in patients with PsO, which included the results of our Phase 2 STRIDE trial and interim results of our open label extension (OLE) as of a December 8, 2023 data cut. An additional OLE data cut was performed when all patients reached 28 weeks of treatment based on data through March 1, 2024. Our data demonstrated that ESK-001's ability to maximally inhibit TYK2 translates to the achievement of high rates of response, as measured by the Psoriasis Area and Severity Index (PASI), in patients, with response rates in the range observed with existing biologic therapies. Our Phase 2 STRIDE trial, in which 228 patients with PsO were randomized to one of five ESK-001 dose cohorts or placebo, met its primary endpoint, the proportion of patients achieving a 75% improvement in the PASI Score (PASI 75) at week 12 compared to placebo, and key secondary efficacy endpoints at all clinically relevant doses tested. Clear dose-dependent responses were observed, with the highest response rates and maximal TYK2 inhibition achieved at the highest dose of 40 mg twice daily (BID). At the 40 mg BID dose and at the 40 mg once daily (QD) dose, 64% and 56% of evaluable patients, respectively, achieved PASI 75 at week 12 compared to 0% for placebo. See the subsection titled "*Business—Our TYK2 Franchise*" for a summary of certain adverse events observed in our Phase 2 STRIDE Trial.

Patients who completed the randomized placebo-controlled Phase 2 STRIDE trial were eligible to participate in the OLE. In the OLE, 165 eligible patients were randomized; of these, 164 patients were assigned to receive either 40 mg BID or 40 mg QD (one patient was not dosed and was not included in the population analysis). As shown in the figure below, as of the March 1, 2024 data cut, interim OLE data following 28 weeks of treatment in the extension period showed sustained increases in PASI response rates over time, with the majority of patients (93% of evaluable patients, 83% using a modified non-responder imputation (mNRI)) achieving PASI 75 at the 40 mg BID dose, as well as a continued favorable tolerability profile. Maximal target inhibition at the 40 mg BID dose, confirmed by blood and skin biopsy biomarkers, translated into the highest response rates, as compared with substantially lower response rates at the 40 mg QD dose. Given the tolerability profile we observed at the highest dose in our Phase 2 STRIDE trial, we intend to advance that dose into Phase 3 pivotal clinical trials. We are also developing a once-a-day modified release formulation that we plan to have available at the time of market launch, if approved, or within the first year post approval. Data in the table below are presented both "as observed" (AO) and applying mNRI where patients who dropped out of the trial due to adverse event or inadequate response were assumed to be non-responders for all time points after drug study discontinuation, and for patients who dropped out of the trial for all other reasons the last observation was carried forward.

OLE ESK-001 40 mg BID Cohort
As Observed (AO) and modified Non-Responder Imputation (NRI) Analyses



Note: The shaded column in the figure above represents a four-week period during which no treatment was administered (the washout period). mNRI: modified Non-Responder Imputation

These data suggest a differentiated profile of ESK-001 relative to first-generation TYK2 inhibitors. We plan to initiate our Phase 3 pivotal clinical trials in PsO in the second half of 2024. We are also evaluating ESK-001 in LUMUS, a Phase 2b clinical trial of ESK-001 for the treatment of patients with SLE, and in OPTYK-1, a proof-of-concept Phase 2a clinical trial in patients with Uveitis. We expect to report top-line results for these trials in 2026 and by the end of 2024, respectively.

Beyond our initial three ongoing clinical indications of ESK-001, we plan to leverage our large clinical and genetic datasets to prioritize future indications, such as psoriatic arthritis and gastrointestinal and other indications where we believe ESK-001 could be differentiated from existing therapies. We believe ESK-001 has the potential to address a broad range of immune-mediated diseases and unmet patient needs that represent substantial commercial opportunities. We identified TYK2 as our first target of interest and acquired ESK-001 via a stock purchase of FronThera U.S. Holdings, Inc. and its wholly owned subsidiary, FronThera U.S. Pharmaceuticals LLC (the FronThera Acquisition). See the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations and Commitments*" for additional information on the FronThera Acquisition, including with respect to certain contingent milestone payments payable by us under the related acquisition agreement.

We have incorporated our learnings from ESK-001 to develop A-005, as a CNS-penetrant, allosteric TYK2 inhibitor with potential application in multiple sclerosis (MS) and other neuroinflammatory and neurodegenerative diseases. Our large proprietary genetic data set as well as scientific literature have shown that the naturally occurring TYK2 loss-of-function genetic variant has a protective effect in MS. In our preclinical studies, A-005 has demonstrated protective effects in prophylactic and therapeutic *in vivo* experimental autoimmune encephalitis (EAE) models of neuroinflammation. In April 2024, we initiated the first Phase 1 study of A-005 in healthy volunteers and expect to report initial results by the end of 2024.

Our Team

We have assembled an executive team of industry veterans experienced in small-molecule compound drug development for immune-mediated diseases. Our senior leaders bring together a wealth of scientific, clinical, business and commercial expertise in the biopharmaceutical industry. Many of our employees and executives previously worked together at Genentech, Roche, Principia and MyoKardia and have united to work together again. Collectively, our executives have contributed to the research, development, approval and commercial

launch of multiple drugs across several therapeutic areas, including Adbry, Avastin, Camzyos, Fasenra, Lucentis, Ocrevus, Rituxan, Saphnelo, Siliq, Tarceva, Tezspire, Uplizna, Xeljanz and Xolair. To date, we have raised more than $600 million and are backed by established blue-chip life science investors.

Our Precision Approach and Capabilities

We apply our precision approach to immunology by focusing on the key drivers of immune dysfunction. We have established and continue to uncover key genetic and translational insights to significantly impact clinical outcomes. Foundational to our approach is our proprietary precision data analytics platform, which combines our proprietary genetic, genomic and proteomic data, data from public third-party sources, and our management's own genomic insights, supported by the data analytics services we receive from Foresite Labs, LLC (Foresite Labs). Leveraging this platform allows us to potentially increase speed of development, probability of success and precision of therapy. We employ our insights and capabilities through every stage of development, always aiming to improve the likelihood of clinical success while achieving the best outcomes for patients. We believe our precision approach can bring forth advances in each of the following key areas:

- **Right target:** We select drug targets based on our understanding of their role in immune-mediated diseases in an effort to maximize clinical benefit and probability of success.
- **Right molecule:** We seek to design our molecules to achieve maximal target engagement and a favorable pharmacological profile, and to optimize tolerability.
- **Right indication:** We select indications based on weight of evidence and biological insights from our proprietary precision data analytics platform.
- **Right endpoint:** We seek to accelerate drug development and improve the clinical probability of success through selection of optimal clinical endpoints for our trials.
- **Right patient:** We gain insights from our proprietary clinical samples to identify patients that we believe are most likely to benefit from our therapies.
- **Right combinations:** We identify future combination strategies with the potential to break through efficacy limitations of existing therapies without broadly suppressing the immune system.

Our Strategy

Our mission is to significantly improve the lives of patients by replacing broad immunosuppression with targeted therapies. As our driving principle, we are using our precision approach focused on the important drivers of immune dysfunction. We use our key insights to pursue our mission of significantly improving outcomes for patients. We select drug targets that have been previously validated by strong human genetic evidence and human clinical data.

The core components of our business strategy include:

- **Maximize the opportunity presented by ESK-001's differentiated pharmacological profile and breadth of potential indications.**
- **Expand our TYK2 franchise with A-005, our allosteric TYK2 inhibitor selected to penetrate the CNS to treat neuroinflammation.**
- **Discover and advance earlier-stage product candidates into clinical development.**
- **Leverage our precision approach to increase speed of development, probability of success and precision of therapy.**
- **Evaluate strategic collaborations to maximize the global impact of our product candidates.**

Risk Factor Summary

Investing in our common stock involves substantial risk. The risks described under the section titled "Risk Factors" immediately following this prospectus summary may cause us to not realize the full benefits of our objectives or may cause us to be unable to successfully execute all or part of our strategy. Some of the more significant challenges include the following:

- We are a clinical stage biopharmaceutical company with a limited operating history and no products approved for commercial sale, and have incurred substantial losses since our inception and anticipate incurring substantial and increasing losses for the foreseeable future.
- Enrollment and retention of participants in clinical trials is an expensive and time-consuming process and could be made more difficult or rendered impossible by multiple factors outside our control, including difficulties in identifying patients, the availability of competitive products, and significant competition for recruiting participants in clinical trials.
- We will require substantial additional financing to achieve our goals and failure to obtain additional capital when needed, or on acceptable terms to us, could cause us to delay, limit, reduce, or terminate our product development or future commercialization efforts.
- Preclinical and clinical development involves a lengthy and expensive process, with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results. We may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our current product candidates or any future product candidates.
- Our clinical trials may reveal significant adverse events not seen in our preclinical studies or prior clinical trials and may result in a safety or tolerability profile that could delay or prevent regulatory approval or market acceptance of ESK-001, A-005 or any future product candidates.
- We face competition from entities that have made substantial investments into the rapid development of competitor treatments for immunological indications, including large and specialty pharmaceutical and biotechnology companies, many of which already have approved therapies in our current indications.
- Our business is highly dependent on the success of our most advanced product candidate, ESK-001, and we cannot guarantee that ESK-001 will successfully complete development, receive regulatory approval or be successfully commercialized. If we are unable to develop, receive regulatory approval for, and ultimately successfully commercialize our product candidates, or if we experience significant delays in doing so, our business will be materially harmed.
- The regulatory approval processes of the FDA and comparable foreign authorities are lengthy, time consuming and inherently unpredictable, and if we are ultimately unable to obtain regulatory approval for our product candidates, our business will be substantially harmed.
- We are dependent on the services of our management team and other clinical and scientific personnel, and if we are not able to retain these individuals or recruit additional management or clinical and scientific personnel, our business will suffer.
- If we are unable to obtain and maintain sufficient intellectual property protection for our product candidates and any future product candidates we may develop, or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors or other third parties could develop and commercialize products similar or identical to ours, and our ability to successfully develop and commercialize our product candidates may be adversely affected.
- We cannot ensure that patent rights relating to inventions described and claimed in our or any future licensors pending patent applications will issue or that patents based on our or any future licensors patent applications will not be challenged and rendered invalid and/or unenforceable.
- We may form or seek collaborations or strategic alliances or enter into licensing arrangements in the future, and we may neither enter into, nor realize the benefits of, such alliances or licensing arrangements.
- Even if we receive regulatory approval for our product candidates, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense. Additionally, our product candidates, if approved, could be subject to labeling and other restrictions and market withdrawal. We may also be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our product candidates.

- We may have conflicts with any future licensors or collaborators that could delay or prevent the development or commercialization of our product candidates.
- As a result of our history of losses and negative cash flows from operations, our consolidated financial statements contain a statement regarding a substantial doubt about our ability to continue as a going concern.

Corporate Information

We were founded in January 2021 as a Delaware corporation under the name FL2021-001, Inc. We changed our name to Esker Therapeutics, Inc. in March 2021, and subsequently to Alumis Inc. in January 2022. Our principal executive offices are located at 280 East Grand Avenue, South San Francisco, California 94080, and our telephone number is (650) 231-6625. Our website address is www.alumis.com. Information contained in, or accessible through, our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is only an inactive textual reference.

Trademarks, Trade Names and Service Marks

We use the Alumis logo and other marks as trademarks in the United States and other countries. This prospectus contains references to our trademarks and service marks and to those belonging to other entities. Solely for convenience, trademarks and trade names referred to in this prospectus, including logos, artwork and other visual displays, may appear without the ® or TM symbols, but such references are not intended to indicate in any way that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other entities' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other entity.

Implications of Being an Emerging Growth Company and a Smaller Reporting Company

We are an emerging growth company, as defined in Section 2(a) of the Securities Act of 1933, as amended (the Securities Act), as modified by the Jumpstart Our Business Startups Act of 2012 (the JOBS Act), and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including:

- being permitted to present 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 in this prospectus,
- relief from the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended (the Sarbanes-Oxley Act),
- relief from compliance with the requirements of the Public Company Accounting Oversight Board regarding the communication of critical audit matters in the auditor's report on the financial statements,
- less extensive disclosure obligations regarding executive compensation in our registration statements, periodic reports and proxy statements,
- exemptions from the requirements to hold a nonbinding advisory vote on executive compensation, and
- exemptions from stockholder approval of any golden parachute payments not previously approved.

We may also elect to take advantage of other reduced reporting requirements in future filings. As a result, our stockholders may not have access to certain information that they may deem important and the information that we provide to our stockholders may be different than, and not comparable to, information presented by other public reporting companies. We could remain an emerging growth company until the earlier of (i) the last day of the year following the fifth anniversary of the completion of this offering, (ii) the last day of the year in which we have total annual gross revenue of at least $1.235 billion, (iii) the last day of the year in which we are deemed to be a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the Exchange Act), which would occur if the market value of our common stock and

non-voting 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.

In addition, the JOBS Act also provides that an emerging growth company may take advantage of the extended transition period provided in the Securities Act for complying with new or revised accounting standards. An emerging growth company may therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of this exemption and, as a result, will not be subject to the same implementation timing for new or revised accounting standards as are required of other public companies that are not emerging growth companies, which may make comparison of our financial information to those of other public companies more difficult.

We are also a "smaller reporting company," meaning that the market value of our common stock and non-voting common stock held by non-affiliates is less than $700.0 million and our annual revenue is less than $100.0 million during the most recently completed fiscal year. We may continue to be a smaller reporting company after this offering if either (i) the market value of our common stock and non-voting common stock held by non-affiliates is less than $250.0 million or (ii) our annual revenue is less than $100.0 million during the most recently completed fiscal year and the market value of our common stock and non-voting common stock 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.

Basis of Presentation

Certain monetary amounts, percentages, and other figures included elsewhere in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables or charts may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

The Offering

Common stock offered by us	shares.
Underwriters' over-allotment option of common stock	shares.
Total common stock and non-voting common stock to be outstanding immediately after this offering	shares (of which shares will be common stock), or shares (of which shares will be common stock) if the underwriters exercise their over-allotment option in full.
Use of proceeds	We estimate that the net proceeds from this offering will be approximately $ million (or approximately $ million if the underwriter's over-allotment option is exercised in full), based on the assumed initial public offering price of $ per share, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We currently intend to use the net proceeds from this offering, together with our existing cash, cash equivalents and marketable securities, primarily to fund clinical development and related studies for our product candidates as well as our activities in preparation for such clinical development. See the section titled "Use of Proceeds" for additional information.
Voting rights	We have two classes of common stock: the common stock offered hereby and non-voting common stock. The rights of the holders of common stock and non-voting common stock are identical, except with respect to voting and conversion. Each share of common stock will be entitled to one vote and shares of non-voting common stock will be non-voting, except as required by law. Each share of non-voting stock may be converted into one share of common stock at the option of the holder, subject to the beneficial ownership limitations provided for in our amended and restated certificate of incorporation to become effective upon closing of this offering. For a description of the rights of the common stock and non-voting common stock, see the section titled "Description of Capital Stock."
Risk factors	See the section titled "Risk Factors" and other information included in this prospectus for a discussion of factors you should consider carefully before deciding to invest in our common stock.
Proposed Nasdaq Global Market trading symbol	"ALMS"

The number of shares of our common stock and non-voting common stock to be outstanding immediately after this offering is based on an aggregate of 181,015,104 shares of common stock and non-voting common stock (which includes 1,287,023 shares of unvested restricted common stock subject to a repurchase option by us) outstanding as of March 31, 2024, after giving effect to the (i) issuance of 41,264,892 shares of Series C redeemable convertible preferred stock in May 2024 and (ii) Preferred Stock Conversion and the Common Stock Reclassification (each as defined below), as if each had occurred as of March 31, 2024, and excludes:

- 26,019,851 shares of our common stock issuable upon the exercise of outstanding stock options as of March 31, 2024, with a weighted-average exercise price of $1.80 per share;
- 14,761,040 shares of our common stock issuable upon the exercise of outstanding stock options granted subsequent to March 31, 2024, with a weighted-average exercise price of $2.44 per share;

- shares of our common stock reserved for future issuance under our 2024 Equity Incentive Plan (2024 Plan), which will become effective once the registration statement of which this prospectus forms a part is declared effective, including new shares plus the number of shares (not to exceed shares) that (i) remain available for grant of future awards under our 2021 Stock Plan (2021 Plan) and will cease to be available for issuance under the 2021 Plan at the time our 2024 Plan becomes effective in connection with this offering, and (ii) are underlying outstanding stock awards granted under our 2021 Plan, that expire or are repurchased, forfeited, cancelled or withheld, as well as any future automatic annual increases in the number of shares of common stock reserved for issuance under our 2024 Plan and, as more fully described in the section titled "Executive Compensation—Equity Benefit Plans;" and
- shares of our common stock reserved for issuance under our 2024 Employee Stock Purchase Plan (ESPP), which will become effective once the registration statement of which this prospectus forms a part is declared effective, as well as any future automatic annual increases in the number of shares of common stock reserved for future issuance under our ESPP, as more fully described in the section titled "Executive Compensation—Equity Benefit Plans."

Unless otherwise indicated, this prospectus assumes or gives effect to:

- a -for- reverse stock split of our Class A and Class B common stock effected on , 2024;
- the issuance of 41,264,892 shares of Series C redeemable convertible preferred stock in May 2024;
- the automatic conversion of 168,489,871 outstanding shares of our redeemable convertible preferred stock into shares of our Class A common stock and shares of our Class B common stock, which will occur immediately prior to the closing of this offering (the Preferred Stock Conversion);
- the redesignation of all outstanding shares of Class A and Class B common stock (following the Preferred Stock Conversion) into an equivalent number of shares of common stock and non-voting common stock, respectively, which will occur immediately prior to the completion of this offering (the Common Stock Reclassification);
- the redesignation of all shares of Class A common stock underlying outstanding options under our 2021 Plan into shares of common stock, which will occur immediately prior to the completion of this offering;
- no exercise of outstanding stock options referred to above;
- no repurchases by us of 1,287,023 shares of outstanding unvested restricted common stock subsequent to March 31, 2024;
- no exercise by the underwriters of their over-allotment option;
- no purchases of shares of our common stock in this offering by our existing stockholders;
- an assumed initial public offering price of $ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus; and
- the filing and effectiveness of our amended and restated certificate of incorporation and the effectiveness of our amended and restated bylaws, each of which will occur immediately prior to the completion of this offering.

Summary Consolidated Financial Data

The following tables set forth our summary consolidated financial data for the periods and as of the dates indicated. The following summary consolidated statements of operations data for the years ended December 31, 2022 and 2023 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The following summary interim condensed consolidated statements of operations data for the three months ended March 31, 2023 and 2024, and the summary interim condensed consolidated balance sheet data as of March 31, 2024, have been derived from our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. Our audited consolidated financial statements and unaudited interim condensed consolidated financial statements included elsewhere in this prospectus have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP). Our unaudited interim condensed consolidated financial statements were prepared on a basis consistent with our audited consolidated financial statements and include, in our opinion, all adjustments of a normal and recurring nature that are necessary for the fair statement of the financial information set forth in those statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected for any period in the future and results for the three months ended March 31, 2024 are not necessarily indicative of results to be expected for the year ending December 31, 2024.

You should read the following summary consolidated financial data together with the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and unaudited interim condensed consolidated financial statements and the related notes included elsewhere in this prospectus. The summary consolidated financial data included in this section are not intended to replace the consolidated financial statements and the related notes included elsewhere in this prospectus.

	Year Ended December 31,		Three Months Ended March 31,	
	2022	2023	2023	2024
Consolidated Statements of Operations Data:	(in thousands, except share and per share data)			
Operating expenses:				
Research and development expenses, including related party expenses of $1,570 and $1,519 for the years ended December 31, 2022 and 2023, respectively, and related party expenses of $325 and $421 for the three months ended March 31, 2023 and 2024, respectively	$ 101,304	$ 137,676	$ 32,435	$ 41,961
General and administrative expenses	12,546	20,498	4,225	5,632
Total operating expenses	113,850	158,174	36,660	47,593
Loss from operations	(113,850)	(158,174)	(36,660)	(47,593)
Other income (expense):				
Interest income	1,992	3,368	645	854
Change in fair value of derivative liability	—	(119)	—	(3,095)
Other income (expenses), net	(72)	(68)	(12)	(15)
Total other income (expense), net	1,920	3,181	633	(2,256)
Net loss	$ (111,930)	$ (154,993)	$ (36,027)	$ (49,849)
Net loss per share attributable to Class A common stockholders, basic and diluted[(1)]	$ (14.93)	$ (15.42)	$ (3.86)	$ (4.50)
Weighted-average Class A common shares outstanding, basic and diluted[(1)]	7,497,622	10,052,198	9,339,918	11,080,100

	Year Ended December 31,		Three Months Ended March 31,	
	2022	2023	2023	2024
Consolidated Statements of Operations Data:	(in thousands, except share and per share data)			
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)[2]		$ (0.87)		$ (0.26)
Pro forma weighted-average common shares outstanding, basic and diluted (unaudited)[2]		178,542,069		179,569,971

(1) See Note 2 and Note 12 to our audited consolidated financial statements and Note 11 to our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus for a description of how we compute basic and diluted net loss per share attributable to Class A common stockholders.

(2) See "Unaudited Pro Forma Net Loss Per Share Attributable to Common Stockholders" subsection below for details on our unaudited pro forma calculations.

Unaudited Pro Forma Net Loss Per Share Attributable to Common Stockholders

The unaudited pro forma basic and diluted net loss per share for the year ended December 31, 2023 and for the three months ended March 31, 2024 were computed using the weighted-average number of shares of common stock and non-voting common stock outstanding, after giving effect to (i) the issuance of 41,264,892 shares of Series C redeemable convertible preferred stock in May 2024, (ii) the Preferred Stock Conversion and the Common Stock Reclassification, as if such issuance, conversion and reclassification had occurred at the beginning of the period. Pro forma net loss per share does not include the shares expected to be sold in this offering.

The following table sets forth the computation of the unaudited pro forma basic and diluted net loss per share of common stock and non-voting common stock for the periods presented:

	Year Ended December 31, 2023	Three Months Ended March 31, 2024
	(in thousands, except share and per share data)	
Numerator:		
Net loss attributable to common stockholders	$ (154,993)	$ (49,849)
Pro forma other income adjustments related to the change in fair value of derivative liability[1]	119	3,095
Pro forma net loss attributable to common stockholders, basic and diluted	$ (154,874)	$ (46,754)
Denominator:		
Weighted-average shares of common stock outstanding	10,052,198	11,080,100
Pro forma adjustment to reflect the Preferred Stock Conversion[2]	168,489,871	168,489,871
Pro forma weighted-average shares outstanding, basic and diluted	178,542,069	179,569,971
Pro forma net loss per share, basic and diluted	$ (0.87)	$ (0.26)

(1) Reflects the reversal of the change in fair value of the derivative liability related to the subsequent tranche closings of redeemable convertible preferred stock recorded in our consolidated statement of operations and comprehensive loss for the year ended December 31, 2023 and in our interim condensed consolidated statement of operations and comprehensive loss for the three months ended March 31, 2024, as if the subsequent tranches closed on January 1, 2023.

(2) Reflects the automatic conversion of 168,489,871 outstanding shares of our redeemable convertible preferred stock (which includes the issuance of 41,264,892 shares of Series C redeemable convertible preferred stock in May 2024) into shares of our common stock which will occur immediately prior to the closing of this offering, as if such issuance and conversion occurred on January 1, 2023.

	As of March 31, 2024		
	Actual	Pro Forma[1]	Pro Forma As Adjusted[2][3]
Consolidated Balance Sheet Data:		(in thousands)	
Cash and cash equivalents	$ 112,071	$ 241,372	$
Marketable securities	21,656	21,656	
Working capital[4]	117,258	246,559	
Total assets	177,375	306,676	
Total liabilities	67,726	55,718	
Redeemable convertible preferred stock	495,575	—	—
Accumulated deficit	(414,167)	(414,167)	
Total stockholders' equity (deficit)	(385,926)	250,958	

(1) The pro forma balance sheet data gives effect to (i) the elimination of the derivative liability related to the tranche closing of Series C redeemable convertible preferred stock in May 2024, (ii) the issuance of 41,264,982 shares of Series C redeemable convertible preferred stock in May 2024 for approximately $129.3 million in aggregate net proceeds therefrom, (iii) the Preferred Stock Conversion and the Common Stock Reclassification (as if each had occurred as of March 31, 2024), and (iv) the filing and effectiveness of our amended and restated certificate of incorporation to be in effect immediately prior to the closing of this offering.

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

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

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

RISK FACTORS

Investing in our common stock involves a high degree of risk. Before deciding to invest in shares of our common stock, you should carefully consider the risks described below, together with the other information contained in this prospectus, including in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in our audited financial statements and the related notes included elsewhere in this prospectus. We cannot assure you that any of the events discussed below will not occur. These events could adversely impact our business, financial condition, results of operations and prospects. If that were to happen, the trading price of our common stock could decline, and you could lose all or part of your investment.

Risks Related to Our Financial Position and Need for Capital

We are a clinical stage biopharmaceutical company with a limited operating history and no products approved for commercial sale, and have incurred substantial losses since our inception and anticipate incurring substantial and increasing losses for the foreseeable future.

We are a clinical stage biopharmaceutical company with a limited operating history on which to base your investment decision. We have no product candidates approved for commercial sale and have not generated any revenue. Biopharmaceutical product development is a highly speculative undertaking. It entails substantial upfront capital expenditures and significant risk that any product candidate will fail to demonstrate adequate efficacy or an acceptable safety profile, gain regulatory approval or become commercially viable.

Our most advanced candidate is ESK-001, an oral, small molecule allosteric inhibitor of Tyrosine Kinase 2 (TYK2). We are currently conducting Phase 2 clinical trials of ESK-001 in each of moderate-to-severe plaque psoriasis (PsO), systemic lupus erythematosus (SLE) and non-infectious uveitis (Uveitis). We plan to commence Phase 3 pivotal trials of ESK-001 in PsO in the second half of 2024. In addition, we are advancing A-005, an investigational central nervous system (CNS) penetrant allosteric inhibitor of TYK2 that has a potential application in multiple sclerosis (MS) and other neuroinflammatory and neurodegenerative diseases, currently in clinical development. Our ability to achieve profitability in the future is dependent upon obtaining regulatory approval for and successfully commercializing our most advanced candidate, ESK-001, either alone or with third parties. However, our operations may not be profitable even if ESK-001 is successfully developed, approved and thereafter commercialized.

We have and will continue to incur significant development and other expenses related to our research and clinical development programs and ongoing operations. For the three months ended March 31, 2023 and 2024, our net losses were $36.0 million and $49.8 million, respectively, and for the years ended December 31, 2022 and 2023, our net losses were $111.9 million and $155.0 million, respectively. As of March 31, 2024, we had an accumulated deficit of $414.2 million. Substantially all of our losses have resulted from expenses incurred in connection with the acquisition and development of our pipeline and from general and administrative costs associated with our operations. We expect to incur significant losses for the foreseeable future, and we expect these losses to increase as we continue our development of our product candidates.

We anticipate that our expenses will increase substantially if, and as, we:

- conduct preclinical studies and clinical trials for ESK-001, A-005, and other programs;
- identify additional product candidates and acquire rights from third parties to those product candidates through licenses or other acquisitions, and conduct development activities, including preclinical studies and clinical trials;
- procure the manufacturing of preclinical, clinical and commercial supply of our current and future product candidates;
- seek regulatory approvals for our product candidates or any future product candidates;
- commercialize our current product candidates or any future product candidates, if approved;
- take steps toward our goal of being an integrated biopharma company capable of supporting commercial activities, including establishing sales, marketing and distribution infrastructure;
- attract, hire and retain qualified clinical, scientific, operations and management personnel;

- add and maintain operational, financial and information management systems;
- protect, maintain, enforce and defend our rights in our intellectual property portfolio;
- defend against third-party interference, infringement and other intellectual property claims, if any;
- address any competing therapies and market developments;
- experience any delays in our preclinical studies or clinical trials and seeking regulatory approval for our product candidates due to public health concerns, macroeconomic conditions or geopolitical conflicts; and
- incur additional costs associated with operating as a public company following the completion of this offering.

Even if we succeed in commercializing one or more product candidates, we expect to incur substantial development costs and other expenditures to develop and market additional product candidates. We may also encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. The size of our future net losses will depend, in part, on the rate of future growth of our expenses and our ability to generate revenue or raise additional capital. Our prior losses and expected future losses have had and will continue to have an adverse effect on our stockholders' equity (deficit) and our working capital.

We could also encounter delays if a clinical trial is suspended, put on clinical hold or terminated by us, the investigational review boards (IRBs) or ethics committees of the institutions in which such trials are being conducted, the U.S. Food and Drug Administration (the FDA), or other comparable foreign regulatory authorities, or if a clinical trial is recommended for suspension or termination by the Data Safety Monitoring Board for such trial. A suspension, clinical hold or termination may be imposed due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, failure by our contract research organizations (CROs) or clinical trial sites to perform in accordance with good clinical practices (GCP) requirements, or applicable regulatory guidelines in other countries, inspection of the clinical trial operations or trial site by the FDA or other comparable foreign regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to establish or achieve clinically meaningful trial endpoints, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. Clinical trials may also be delayed or terminated as a result of ambiguous or negative interim results. 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. Further, the FDA or other comparable foreign regulatory authorities may disagree with our clinical trial design and our interpretation of data from clinical trials, or may change the requirements for approval even after they have reviewed and commented on the design for our clinical trials.

We may also, in the future, conduct preclinical and clinical research in collaboration with other academic, pharmaceutical and biotechnology entities in which we combine our research or development efforts with those of our collaborators. Such collaborations may be subject to additional delays because of the management of the trials, contract negotiations, the need to obtain agreement from multiple parties and may increase our future costs and expenses.

Our product development costs will increase if we experience delays in clinical testing or regulatory approvals. We do not know whether any of our clinical trials will begin as planned, will need to be restructured or will be completed on schedule, or at all. Significant clinical trial delays also could shorten any periods during which we may have the exclusive right to commercialize our product candidates and may allow our competitors to bring products to market before we do, potentially impairing our ability to successfully commercialize our product candidates. Any delays or increase in costs in our clinical development programs may harm our business, financial condition, results of operations and prospects.

Enrollment and retention of participants in clinical trials is an expensive and time-consuming process and could be made more difficult or rendered impossible by multiple factors outside our control, including difficulties in identifying patients, the availability of competitive products, and significant competition for recruiting participants in clinical trials.

Participant enrollment, a significant factor in the timing of clinical trials, is affected by many conditions including the size and nature of the patient population, the number and location of clinical sites we enroll, the

proximity of participants to clinical sites, the eligibility and exclusion criteria for the trial, the design of the clinical trial, the inability to obtain and maintain participant consents, the risk that enrolled participants will drop out before completion, competing clinical trials and clinicians' and patients' perceptions as to the potential advantages of the product candidate being studied in relation to other available therapies, including any new drugs or biologics that may be approved for the indications being investigated by us. Risks related to patient enrollment are heightened in longer clinical trials, including the 48-week trial period contemplated by our ongoing Phase 2b clinical trial of ESK-001 in SLE. In particular, this trial has been and may continue to be challenging to enroll due to the fact that patients must be experiencing active disease at the time of screening to be eligible for enrollment. In addition, our clinical trials will compete with other clinical trials for product candidates that are in the same areas as our product candidates, and this competition will reduce the number and types of participants available to us, because some participants who might have opted to enroll in our trials may instead opt to enroll in a trial being conducted by one of our competitors, or to use currently marketed therapies. Additionally, participants, including participants in any control groups, may withdraw from the clinical trial if they are not experiencing improvement in their underlying disease or condition or if they experience other difficulties or issues. Additionally, we could encounter delays if treating clinicians encounter unresolved ethical issues associated with enrolling participants in clinical trials of our product candidates in lieu of prescribing existing treatments that have established safety and efficacy profiles.

We have in the past and may in the future experience participant withdrawals or discontinuations from our trials. Withdrawal of participants from our clinical trials may compromise the quality of our data. Even if we are able to enroll a sufficient number of participants in our clinical trials, delays in enrollment or small population size may result in increased costs or may affect the timing or outcome of our clinical trials. Any of these conditions may negatively impact our ability to complete such trials or include results from such trials in regulatory submissions, which could adversely affect our ability to advance the development of our product candidates.

We will require substantial additional financing to achieve our goals and failure to obtain additional capital when needed, or on acceptable terms to us, could cause us to delay, limit, reduce, or terminate our product development or future commercialization efforts.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through equity offerings, debt financings, or other capital sources, including potential collaborations, licenses and other similar arrangements. 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 holder of our common stock. Any future 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, selling or licensing our assets, making capital expenditures, declaring dividends or encumbering our assets to secure future indebtedness. Such restrictions could adversely impact our ability to conduct our operations and execute our business plan.

If we raise additional funds through future collaborations, licenses and other similar arrangements, we may have to relinquish valuable rights to our future revenue streams or product candidates, or grant licenses on terms that may not be favorable to us and/or that may reduce the value of our common stock. If we are unable to raise additional funds through equity or debt financings or other arrangements when needed or on terms acceptable to us, we would 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.

Risks Related to Product Candidate Development and Commercialization

Preclinical and clinical development involves a lengthy and expensive process, with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results. We may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our current product candidates or any future product candidates.

Our product candidates are either in clinical or preclinical development, and their risk of failure is high. It is impossible to predict when or if our product candidates will receive regulatory approval. To obtain the requisite

regulatory approvals to commercialize any product candidates, we must demonstrate through extensive preclinical studies and lengthy, complex and expensive clinical trials that our product candidates are safe and effective in humans for their intended uses. Before obtaining approval from regulatory authorities for the commercialization of any of our product candidates, we must conduct extensive clinical trials to demonstrate the safety and efficacy of the product candidate in humans. Before we can initiate clinical trials for any product candidates, we must submit the results of preclinical studies to the FDA or comparable foreign regulatory authorities along with other information, including information about product candidate chemistry, manufacturing and controls and our proposed clinical trial protocol, as part of an Investigational New Drug application (IND) or similar regulatory submission. The FDA or comparable foreign regulatory authorities may require us to conduct additional preclinical studies for any product candidate before allowing us to initiate clinical trials under any IND or similar regulatory submission, which may lead to delays and increase the costs of our preclinical development programs.

Once initiated, clinical testing can take many years to complete, and its outcome is inherently uncertain. The results of preclinical studies and early clinical trials of our product candidates may not be predictive of the results of later-stage clinical trials and results in one indication may not be predictive of results to be expected for the same product candidate in another indication. For example, notwithstanding extensive preclinical testing demonstrating that A-005 can penetrate the CNS, our clinical trials of A-005 may show that it cannot penetrate the human CNS as fully as was observed in preclinical testing. Differences in trial design between early-stage clinical trials and later-stage clinical trials make it difficult to extrapolate the results of earlier clinical trials to later clinical trials. A number of companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unfavorable safety profiles, notwithstanding promising results in earlier trials. Moreover, clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in clinical trials have nonetheless failed to obtain regulatory approval of such product candidates.

Commencing any future clinical trials is subject to finalizing the trial design and submitting an application to the FDA or a comparable foreign regulatory authority. Even after we make our submission, the FDA or comparable foreign regulatory authorities could disagree that we have satisfied their requirements to commence our clinical trials or disagree with our study design, which may require us to complete additional trials or amend our protocols or impose stricter conditions on the commencement of clinical trials. There is typically a high rate of failure of product candidates proceeding through clinical trials, and failure can occur at any time during the clinical trial process. Most product candidates that commence clinical trials are never approved as products and there can be no assurance that any of our current or future clinical trials will ultimately be successful or support the approval of our current or any future product candidates.

We expect to continue to rely on our CROs and clinical trial sites to ensure the proper and timely conduct of our clinical trials, including the participant enrollment process, and we have limited influence over their performance. We or any future collaborators may experience delays in initiating or completing clinical trials due to unforeseen events or otherwise, that could delay or prevent our ability to receive regulatory approval or commercialize our current and any future product candidates, including:

- we may be unable to generate sufficient preclinical, toxicology, or other *in vivo* or *in vitro* data to support the initiation or continuation of clinical trials;
- regulators, such as the FDA or comparable foreign regulatory authorities, may disagree with the design or implementation of our clinical trials;
- regulators, such as the FDA or comparable foreign regulatory authorities, IRBs, or ethics committees may impose additional requirements before permitting us to initiate a clinical trial, may not allow us or our investigators to commence or conduct a clinical trial at a prospective trial site, may not allow us to amend trial protocols, or regulators may require that we modify or amend our clinical trial protocols;
- we may experience delays in reaching, or fail to reach, agreement on acceptable terms with trial sites and CROs, the terms of which can be subject to extensive negotiation and may vary significantly;
- we may be unable to identify, recruit, or train suitable clinical investigators;
- clinical trial sites may deviate from trial protocol or drop out of a trial;

- the number of participants required for clinical trials may be larger than we anticipate, enrollment in clinical trials may be slower than we anticipate or participants may drop out or fail to return for post-treatment follow-up at a higher rate than we anticipate;
- the cost of clinical trials may be greater than we anticipate, or we may have insufficient funds to initiate or complete a clinical trial or to pay the substantial user fees required by the FDA upon the submission of a New Drug Application (NDA) or comparable marketing authorization application in another jurisdiction;
- the quality or quantity of data relating to our product candidates or other materials necessary to conduct our clinical trials may be inadequate to initiate or complete a given clinical trial;
- reports from clinical testing of other therapies may raise safety, tolerability or efficacy concerns about our product candidates;
- clinical trials of our product candidates may fail to show appropriate safety, tolerability or efficacy, may produce negative or inconclusive results, or may otherwise fail to improve on the existing standard of care, and we may decide, or regulators may require us, to conduct additional clinical trials or we may decide to abandon product development programs;
- our CROs or clinical trial sites may fail to perform in accordance with GCP requirements or other applicable regulations, rules or guidelines;
- we may be unable to manufacture our product candidates from our contract manufacturing organizations (CMOs) in accordance with current Good Manufacturing Practice (cGMP) regulations or other applicable requirements in sufficient quantities for use in our clinical trials;
- serious adverse events (SAEs) may occur in trials of the same class of agents conducted by other companies that could be considered similar to our product candidates;
- we may select clinical endpoints that require prolonged periods of clinical observation or extended analysis of the resulting data;
- we may be required to transfer our manufacturing processes to larger-scale facilities operated by a different CMO, or may experience delays or failure by our CMOs or us to make any necessary changes to such manufacturing process; and
- third parties may be unwilling or unable to satisfy their contractual obligations to us in a timely manner.

In addition, we have historically leveraged our extensive analyses of immune-relevant genome-wide association study (GWAS) results from both the public domain and the UK Biobank biomedical resource to identify the right therapeutic target on which to focus our preclinical and clinical development efforts. If our access to GWAS results from the public domain or the UK Biobank biomedical resource were to be restricted, including as a result of any potential future legislative policies or regulations that may seek to restrict the sharing of genetic data, our ability to efficiently identify additional therapeutic targets may be limited.

In addition, the FDA's and other regulatory authorities' policies with respect to clinical trials may change and additional government regulations may be enacted. In the EU, the EU Clinical Trials Regulation (CTR) became applicable on January 31, 2022, repealing and replacing the Clinical Trials Directive (CTD). The CTR permits trial sponsors to make a single submission to both the competent authority and an ethics committee in each EU Member State, leading to a single decision for each EU member state. The assessment procedure for the authorization of clinical trials has been harmonized as well, including a joint assessment of some elements of the application by all EU member states in which the trial is to be conducted, and a separate assessment by each EU member state with respect to specific requirements related to its own territory, including ethics rules. Each EU member state's decision is communicated to the sponsor through a centralized EU portal, the Clinical Trial Information System (CTIS). The CTR provides a three-year transition period. The extent to which ongoing clinical trials will be governed by the CTR varies. Clinical trials for which an application for approval was made on the basis of the CTD (i) before January 31, 2022, or (ii) between January 31, 2022 and January 31, 2023 and for which the sponsor has opted for the application of the CTD, remain governed by the CTD until January 31, 2025. By that date, all ongoing trials will become subject to the provisions of the CTR. The

CTR will apply to clinical trials from an earlier date if the related clinical trial application was made on the basis of the CTR or if the clinical trial has already transitioned to the CTR framework before January 31, 2025.

It is currently unclear to what extent the UK, will seek to align its regulations with the EU. The UK regulatory framework in relation to clinical trials is derived from the CTD (as implemented into UK law, through secondary legislation).On January 17, 2022, the UK Medicines and Healthcare products Regulatory Agency (MHRA) launched an eight-week consultation on reframing the UK legislation for clinical trials with specific aims to streamline clinical trials approvals, enable innovation, enhance clinical trials transparency, enable greater risk proportionality, and promote patient and public involvement in clinical trials. The MHRA published its consultation outcome on March 21, 2023 in which it confirmed that it would update the existing legislation. The resulting legislative changes will ultimately determine the extent to which the UK regulations align with the CTR. A decision by the UK Government not to closely align its regulations with the new approach that has been adopted in the EU may have an effect on the cost of conducting clinical trials in the UK as opposed to other countries.

Our clinical trials may reveal significant adverse events not seen in our preclinical studies or prior clinical trials and may result in a safety or tolerability profile that could delay or prevent regulatory approval or market acceptance of ESK-001, A-005 or any future product candidates.

Undesirable or clinically unmanageable side effects observed in our clinical trials for our product candidates could occur and cause us or regulatory authorities to interrupt, delay or halt our clinical trials and could result in a more restrictive labeling or the delay or denial of regulatory approval by the FDA or comparable foreign regulatory authorities.

We have observed SAEs and adverse events (AEs) in our trials of ESK-001, and as more patients become exposed to ESK-001 over longer periods of time, we expect to see additional SAEs and AEs emerge. Further, long term treatment with ESK-001 continues to be evaluated in open label extension (OLE) and long term extension (LTE) trials, and additional AEs and SAEs will continue to accumulate. Certain conditions occur more frequently in patients with psoriasis compared to the general population. Examples include obesity, cardiovascular disease, psoriatic arthritis, and depression. Immune modulating treatments including ESK-001 may result in increasing susceptibility to various infections, including serious or life-threatening infections, and there is a theoretical risk with immune-modulating agents that dampening immune responses could increase the risk of malignancies. However, no increase in malignancy risk has been demonstrated to date with approved therapies targeting similar immunological pathways, including TYK-2, IL-23 and type I IFN. Furthermore, a naturally occurring TYK-2 loss-of-function-mutation (P1104A) that is present in 3-5% of Caucasian populations has not been associated with increased cancer risk in rigorous analyses of large genetic data sets.

Other TYK2 inhibitors, such as deucravacitinib (marketed as Sotyktu), which is approved for the treatment of adults with PsO, have shown AEs such as hypersensitivity reactions, infections, tuberculosis, malignancy, rhabdomyolysis, elevated PK and potential SAEs related to JAK inhibition, such as cardiovascular and thrombotic events. There can be no assurance that we will not observe such AEs in our ongoing and planned clinical trials of ESK-001.

As of May 31, 2024, there have been six SAEs in the OLE trial. Two SAEs were considered potentially related: a case of wrist arthritis in a patient with a history of gout and osteoarthritis; and a case of peritonsillar abscess (40mg BID) following COVID-19 infection that required treatment with antibiotics. Four additional SAEs were considered unrelated by the investigator, by us, or by both; a case of sepsis in a patient with diabetic leg ulcers (40mg BID); a case of dyspnea (40mg QD); a case of EGFR-positive, adenocarcinoma of the lung (40mg QD) in a patient with a strong familial history of lung cancer; and a case of advanced renal cell carcinoma (40mg BID) which, due to its large size and the slow-growing nature of renal cell carcinomas, very likely preceded exposure to ESK-001. In both cases of malignancy, the investigator could not definitively rule out relationship to ESK-001 but in our assessment, both cases were unrelated to ESK-001 treatment. Additionally, the adenocarcinoma of the lung (NSCLC) occurred after four weeks from the last dose and therefore is considered non-treatment-emergent and not shown in the table above.

The most commonly reported AEs in our PsO trials include upper respiratory infections, nasopharyngitis and headaches.

If AEs, SAEs or other side effects are observed in any of our ongoing or future clinical trials that are atypical of, or more severe than, the known side effects of the respective class of agents that each of our product candidates are a part of, we may have difficulty recruiting participants to our clinical trials, participants may drop out of our trials, or we may be required to abandon those trials or our development efforts of one or more product candidates altogether. If such effects are more severe or less reversible than we expect, or not reversible at all, we may decide or be required to perform additional studies or to halt or delay further clinical development of ESK-001, A-005 or any future product candidates, which could result in the delay or denial of regulatory approval by the FDA or comparable foreign regulatory authorities.

In addition, we believe that one of the potential benefits of ESK-001 includes the potential to improve on the safety and side-effect profile of the only currently approved allosteric TYK2 inhibitor in the United States. If ESK-001 is shown to have similar AEs, side effects or other safety or tolerability concerns, then our opportunity to disrupt the current standard of care may be limited. AEs and SAEs that emerge during clinical investigation of or treatment with ESK-001, A-005, or any future product candidates may be deemed to be related to our product candidates. This may require longer and more extensive clinical development, or regulatory authorities may increase the amount of data and information required to approve, market, or maintain ESK-001, A-005 or any future product candidates and could result in warnings and precautions in our product labeling or a restrictive risk evaluation and mitigation strategy (REMS) or comparable foreign strategies. This may also result in an inability to obtain approval of ESK-001, A-005 or any future product candidates. We, the FDA or other comparable foreign regulatory authorities, or an IRB or ethics committee, may suspend clinical trials of a product candidate at any time for various reasons, including a belief that participants in such trials are being exposed to unacceptable health risks or adverse side effects. Some potential product candidates developed in the biotechnology industry that initially showed promise in early-stage trials have later been found to cause side effects that prevented their further development. Even if the side effects do not preclude the product candidate from obtaining or maintaining regulatory approval, undesirable side effects, like those mentioned above, may inhibit market acceptance of the approved product due to its tolerability versus other therapies. Any of these developments could materially harm our business, financial condition, results of operations and prospects.

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

- we may be required to suspend marketing of a product, or we may decide to remove such product from the marketplace;
- regulatory authorities may withdraw, suspend or change their approvals of a product;
- regulatory authorities may require additional warnings on the label or limit access of a product to selective specialized centers with additional safety reporting and with requirements that patients be geographically close to these centers for all or part of their treatment; and
- we may be required to create a medication guide outlining the risks of a product for patients, or to conduct post-marketing studies.

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

Preliminary, "top-line" and interim data from our clinical trials that we announce or publish from time to time may change as more patient data become available or are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may publicly disclose preliminary or top-line data from our preclinical studies and clinical trials, which are based on preliminary analyses of then-available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular preclinical study or clinical trial. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the top-line or preliminary results that we report may differ from future results of the same studies or trials, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Top-line and preliminary data 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, top-line and preliminary data should be viewed with caution until the final data are available.

From time to time, we may also disclose data from interim analyses from our clinical trials. Interim analyses from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as participants enrollment continues and more participant data become available or as participants from our clinical trials continue other treatments for their disease. Adverse differences between interim data, topline data, or preliminary data and final data could significantly harm our business prospects.

Further, others, including regulatory authorities, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular product candidate and could adversely affect the success of our business. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is based on what is typically extensive information, and you or others may not agree with what we determine is material or otherwise appropriate information to include in our disclosure.

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, our product candidates may be harmed, which could harm our business, financial condition, results of operations and prospects. Further, disclosure of interim, top-line or preliminary data by us or by our competitors could result in volatility in the price of our common stock after this offering.

We have conducted, are currently conducting, and may in the future conduct, clinical trials for current or future product candidates outside the United States, and the FDA and comparable foreign regulatory authorities may not accept data from such trials.

We have conducted, are currently conducting, and may in the future conduct, clinical trials outside the United States, including in Argentina, Austria, Australia, Belgium, Bulgaria, Canada, Chile, Colombia, Croatia, Czech Republic, Denmark, Estonia, France, Georgia, Germany, Hungary, India, Israel, Japan, Latvia, Mexico, Netherlands, Peru, Philippines, Poland, Portugal, Puerto Rico, Romania, South Korea, Spain, Taiwan, and the UK. We expect to continue to conduct trials internationally in the future. The acceptance of data from clinical trials conducted outside the United States or another jurisdiction by the FDA or comparable foreign regulatory authorities may be subject to certain conditions or may not be accepted at all. In cases where data from foreign clinical trials are intended to serve as the sole basis for regulatory 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 and (ii) the trials were performed by clinical investigators of recognized competence and pursuant to GCP regulations 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 inspection to be necessary, the FDA is able to validate the data through an on-site inspection or other appropriate means. In addition, even where the foreign study data are not intended to serve as the sole basis for approval, the FDA will not accept the data as support for an application for regulatory approval unless the study is well-designed and well-conducted in accordance with GCP requirements and the FDA is able to validate the data from the study through an onsite inspection if deemed necessary. Many foreign regulatory authorities have similar requirements for clinical data gathered outside of their respective jurisdictions. In

addition, such foreign trials are 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 comparable foreign regulatory authority will accept data from trials conducted outside of the United States or the applicable jurisdiction. If the FDA or any comparable foreign regulatory authority does not accept such data, it would result in the need for additional trials, which could be costly and time-consuming, and which may result in current or future product candidates that we may develop being delayed or not receiving approval for commercialization in the applicable jurisdiction.

Even if we receive regulatory approval for our current or future product candidates in the United States, we may never receive regulatory approval to market outside of the United States.

We plan to seek regulatory approval for our current and future product candidates outside of the United States and are currently conducting certain clinical trials internationally, including in the European Union (EU) and Japan. In order to market any product outside of the United States, however, we must establish and comply with the numerous and varying safety, efficacy and other regulatory requirements of other applicable countries. Approval procedures vary among countries and can involve additional product candidate testing and additional administrative review periods. The time required to obtain approvals in other countries might differ substantially from that required to obtain FDA approval. The regulatory approval processes in other countries generally implicate all of the risks detailed above regarding FDA approval in the United States as well as other risks. In particular, in many countries outside of the United States, products must receive pricing and reimbursement approval before the product can be commercialized. Obtaining this approval can result in substantial delays in bringing products to market in such countries. Regulatory approval in one country does not ensure regulatory approval in another, but a failure or delay in obtaining regulatory approval in one country may have a negative effect on the regulatory process in others and would impair our ability to market our current or future product candidates in such foreign markets. Any such impairment would reduce the size of our potential market, which could adversely affect our business, financial condition, results of operations and prospects.

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

The availability of coverage and the adequacy of reimbursement by governmental healthcare programs, such as Medicare and Medicaid, private health insurers and other third-party payors are essential for most patients to be able to afford prescription medications such as our product candidates, if approved. Our ability to achieve coverage and acceptable levels of reimbursement for our products by third-party payors will have an effect on our ability to successfully commercialize those products. Even if we obtain coverage for a given product by a third-party payor, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. We cannot be sure that coverage and reimbursement in the United States, the EU, Japan or elsewhere will be available for any product that we may develop, and any reimbursement that may become available may be decreased or eliminated in the future.

Third-party payors increasingly are challenging prices charged for biopharmaceutical products and services, and many third-party payors may refuse to provide coverage and reimbursement for particular drugs when equivalent generic drugs, biosimilars or less expensive therapies are available. It is possible that a third-party payor may consider our product candidates, if approved, as substitutable and only be willing to cover the cost of the alternative product. Even if we show improved efficacy, safety or improved convenience of administration with ESK-001, A-005 or any of our future product candidates, if approved, pricing of competitive products may limit the amount we will be able to charge for our product candidates, if approved. Third-party payors may deny or revoke the reimbursement status of a given product or establish prices for new or existing marketed products at levels that are too low to enable us to realize an appropriate return on our investment in our product candidates. In some cases, when new competitor generic and biosimilar products enter the market, there are mandatory price reductions for the innovator compound. In other cases, payors employ “therapeutic category” price referencing and seek to lower the reimbursement levels for all treatments in the respective therapeutic category. Additionally, new competitor brand drugs can trigger therapeutic category reviews in the interest of modifying coverage and/or reimbursement levels. The potential of

third-party payors to introduce more challenging price negotiation methodologies could have a negative impact on our ability to successfully commercialize our product candidates, if approved.

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

Obtaining and maintaining reimbursement status is time consuming, costly and uncertain. The Medicare and Medicaid programs increasingly are used as models for how private payors and other governmental payors develop their coverage and reimbursement policies for drugs. However, no uniform policy for coverage and reimbursement for products exists among third-party payors in the United States. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. As a result, the coverage determination process is often a time consuming and costly process that will require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. Furthermore, rules and regulations regarding reimbursement change frequently, in some cases on short notice, and we believe that changes in these rules and regulations are likely.

Outside the United States, biopharmaceutical products and services are generally subject to extensive governmental price controls and other market regulations, and we believe the increasing emphasis on cost-containment initiatives in Europe and other countries will continue to put pressure on the pricing and usage of our product candidates. In many countries, the prices of medical products are subject to varying price control mechanisms as part of national health systems. Some countries provide that products may be marketed only after an agreement on reimbursement price has been reached. Such pricing negotiations with governmental authorities can take considerable time after receipt of marketing approval for a product. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after reimbursement has been obtained. Other countries allow companies to establish their own prices for medical products but monitor and control company profits or control prescription volumes and issue guidance to physicians to limit prescriptions. In addition, some EU member states may require the completion of additional studies that compare the cost-effectiveness of a particular medicinal product candidate to currently available therapies. This Health Technology Assessment (HTA), process is the procedure according to which the assessment of the public health impact, therapeutic impact and the economic and societal impact of use of a given medicinal product in the national healthcare systems of the individual country is conducted. The outcome of HTA regarding specific medicinal products will often influence the pricing and reimbursement status granted to these medicinal products by the competent authorities of individual EU member states.

Additional foreign price controls or other changes in pricing regulation could restrict the amount that we are able to charge for our product candidates, if approved. In December 2021, Regulation No 2021/2282 on Health Technology Assessment (HTA Regulation) was adopted. The HTA Regulation intends to boost cooperation among EU member states in assessing health technologies, including new medicinal products, and provide the basis for cooperation at EU level for joint clinical assessments in these areas. While the HTA Regulation entered into force in January 2022, it will only begin to apply from January 2025 onwards, with preparatory and implementation-related steps to take place in the interim. Once applicable, it will have a phased implementation depending on the concerned products. The HTA Regulation will be intended to harmonize the clinical benefit assessment of HTA across the EU. Accordingly, in markets outside the United States, the reimbursement for our product candidates may be reduced compared with the United States and may be insufficient to generate commercially reasonable revenue and profits.

Moreover, increasing efforts by governmental and third-party payors in the United States and abroad to cap or reduce healthcare costs may cause such organizations to limit both coverage and the level of reimbursement for newly approved products and, as a result, they may not cover or provide adequate payment for our products. We expect to experience pricing pressures in connection with the sale of our product candidates due to the trend toward managed healthcare, the increasing influence of health maintenance organizations and

additional legislative changes. The downward pressure on healthcare costs in general, particularly prescription drugs and surgical procedures and other treatments, has become very intense. As a result, increasingly high barriers are being erected to the entry of new products. There can be no assurance that any country that has reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any of our products, if approved in those countries.

We face competition from entities that have made substantial investments into the rapid development of competitor treatments for immunological indications, including large and specialty pharmaceutical and biotechnology companies, many of which already have approved therapies in our current indications.

The development and commercialization of therapies is highly competitive. Our product candidates, if approved, will face significant competition, including from well-established, currently marketed therapies, and our failure to demonstrate a meaningful improvement to the existing standard of care may prevent us from achieving significant market penetration. Many of our competitors have significantly greater resources and experience than we do, and we may not be able to successfully compete. We face substantial competition from multiple sources, including large and specialty pharmaceutical and biotechnology companies, academic research institutions and governmental agencies and public and private research institutions. Our competitors compete with us on the level of the technologies employed, or on the level of development of their products as compared to our product candidates. In addition, many small biotechnology companies have formed collaborations with large, established companies to (i) obtain support for their research, development and commercialization of products or (ii) combine several treatment approaches to develop longer lasting or more efficacious treatments that may potentially directly compete with our current or any future product candidates. We anticipate that we will continue to face increasing competition as new therapies and combinations thereof, and related data, emerge.

Our current product candidates, initially under development for treatment of patients with immune-mediated diseases, if approved, would face competition from existing approved immunological treatments, many of which have achieved commercial success. For example, we are currently developing ESK-001 for the treatment of PsO, SLE, and Uveitis. Other emerging and established life sciences companies have been focused on similar therapeutics. If approved, ESK-001 would compete with several currently approved or late-stage oral clinical therapeutics, including Otezla (marketed by Amgen Inc.), Sotyktu (marketed by Bristol Myers Squibb Company (BMS)), TAK-279 (in development by Takeda Pharmaceutical Company), VTX-958 (in development by Ventyx Biosciences, Inc.), JNJ-2113 (in development by Johnson & Johnson), DC-806 (in development by Lilly), as well as new early-stage therapeutic companies that may develop competing molecules. Other TYK2 agents are also under development in SLE by BMS, as well as other TYK2 clinical development programs at Galapagos NV, Innocare, and Priovant Therapeutics, Inc.

We are also developing A-005, which has potential applications in MS and other neuroinflammatory and neurodegenerative diseases. There are several therapies available for the treatment of relapsing forms of MS, including interferon beta regulators, monoclonal antibodies, synthetic immunomodulatory drugs and S1P receptor modulators. Ocrevus, a CD20 antibody marketed by Genentech, Inc., is approved for primary progressive multiple sclerosis (PPMS).

To compete successfully, we need to disrupt these currently marketed drugs, meaning that we will have to demonstrate that the relative cost, method of administration, safety, tolerability and efficacy of our product candidates provide a better alternative to existing and new therapies. Our commercial opportunity and likelihood of success will be reduced or eliminated if our product candidates are not ultimately demonstrated to be safer, more effective, more conveniently administered, or less expensive than the current standard of care. Furthermore, even if our product candidates are able to achieve these attributes, acceptance of our products may be inhibited by the reluctance of physicians to switch from existing therapies to our products, or if physicians choose to reserve our products for use in limited circumstances.

Many of our competitors have significantly greater financial, technical, manufacturing, marketing, sales and supply resources or experience than we have. If we obtain regulatory approval for any product candidate, we will face competition based on many different factors, including the safety and effectiveness of our current or any future product candidates, the ease with which our current or any future product candidates can be administered and the extent to which participants accept relatively new routes of administration, the timing and scope of regulatory approvals for these product candidates, the availability and cost of manufacturing,

marketing and sales capabilities, price, reimbursement coverage and patent position. Competing products could present superior treatment alternatives, including by being more effective, safer, less expensive or marketed and sold more effectively than any products we may develop. Competitive products may make any products we develop obsolete or noncompetitive before we recover the expense of developing and commercializing our current or any future product candidates. Such competitors could also recruit our employees, which could negatively impact our level of expertise and our ability to execute our business plan.

Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified management and other personnel in establishing clinical trial sites and enrolling patients in clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

Risks Related to Our Business and Operations

Our business is highly dependent on the success of our most advanced product candidate, ESK-001, and we cannot guarantee that ESK-001 will successfully complete development, receive regulatory approval or be successfully commercialized. If we are unable to develop, receive regulatory approval for, and ultimately successfully commercialize our product candidates, or if we experience significant delays in doing so, our business will be materially harmed.

We currently have no products approved for commercial sale or for which regulatory approval to market has been sought. We have invested a significant portion of our efforts and financial resources in the development of our most advanced product candidate, ESK-001, which is still in clinical development, and expect that we will continue to invest heavily in ESK-001, as well as our second product candidate, A-005, and any future product candidates we may develop. Our business and our ability to generate revenue, which we do not expect will occur for many years, if ever, are substantially dependent on our ability to develop, obtain regulatory approval for, and then successfully commercialize our product candidates, which may never occur.

Our product candidates will require substantial additional preclinical and clinical development time, regulatory approval, commercial manufacturing arrangements, establishment of a commercial organization, significant marketing efforts, and further investment before we can generate any revenue from product sales. We currently generate no revenue, and we may never be able to develop or commercialize any products. We cannot assure you that we will meet our timelines for our current or future clinical trials, which may be delayed or not completed for a number of reasons. Our product candidates are susceptible to the risks of failure inherent at any stage of product development, including the appearance of unexpected AEs or failure to achieve primary endpoints in clinical trials.

Even if our product candidates are successful in clinical trials, we are not permitted to market or promote our product candidates before we receive regulatory approval from the FDA or comparable foreign regulatory authorities, and we may never receive sufficient regulatory approval that will allow us to successfully commercialize any product candidates. If we do not receive FDA or comparable foreign regulatory approval with the necessary conditions to allow commercialization, we will not be able to generate revenue from those product candidates in the United States or elsewhere in the foreseeable future, or at all. Any significant delays in obtaining approval for and commercializing our product candidates could adversely affect our business, financial condition, results of operations and prospects.

We have not previously submitted an NDA or similar marketing application to the FDA or comparable foreign regulatory authorities for any product candidate, and we cannot be certain that our current or any future product candidates will be successful in clinical trials or receive regulatory approval. The FDA may also consider its approvals of competing products, which may alter the treatment landscape concurrently with their review of any NDA we may submit, and which may lead to changes in the FDA's review requirements that have been previously communicated to us and our interpretation thereof, including changes to requirements for clinical data or clinical study design. Such changes could delay approval or necessitate withdrawal of any such NDA submission. Similar risks may exist in foreign jurisdictions.

If approved for marketing by applicable regulatory authorities, our ability to generate revenue from our product candidates will depend on our ability to:

- price our products competitively such that third-party and government reimbursement permits broad product adoption;
- demonstrate the superiority of our products compared to the standard of care, as well as to other therapies in development;
- create market demand for our product candidates through our own marketing and sales activities, and any other arrangements to promote these product candidates that we may otherwise establish;
- receive regulatory approval for the targeted patient populations and claims that are necessary or desirable for successful marketing;
- effectively commercialize any of our products that receive regulatory approval;
- manufacture product candidates through CMOs in sufficient quantities and at acceptable quality and manufacturing cost to meet commercial demand at launch and thereafter;
- establish and maintain agreements with wholesalers, distributors, pharmacies, and group purchasing organizations on commercially reasonable terms;
- obtain, maintain, protect and enforce patent and other intellectual property protection and regulatory exclusivity for our products;
- achieve market acceptance of our products by patients, the medical community, and third-party payors;
- maintain a distribution and logistics network capable of product storage within our specifications and regulatory guidelines, and further capable of timely product delivery to commercial clinical sites; and
- assure that our product will be used as directed and that additional unexpected safety risks will not arise.

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

The clinical development, manufacturing, labeling, storage, record-keeping, advertising, promotion, import, export, marketing and distribution of our product candidates are subject to extensive regulation by the FDA in the U.S. and by comparable foreign regulatory authorities in foreign markets. In the U.S., we are not permitted to market our product candidates in the U.S. until we receive regulatory approval of an NDA from the FDA. Similar approvals are required in order to market product candidates in foreign countries. The process of obtaining such regulatory approval is expensive, often takes many years following the commencement of clinical trials and can vary substantially based upon the type, complexity and novelty of the product candidates involved, as well as the target indications and patient population. Approval policies or regulations may change, and the FDA and comparable foreign regulatory authorities have substantial discretion in the approval process, including the ability to delay, limit or deny approval of a product candidate for many reasons.

Prior to obtaining approval to commercialize a product candidate in the U.S. or abroad, we must demonstrate with substantial evidence from adequate and well-controlled clinical trials, and to the satisfaction of the FDA or comparable foreign regulatory authorities, that such product candidates are safe and effective for their intended uses. Clinical testing is expensive, time consuming and subject to uncertainty. We cannot guarantee that any current or future clinical trials will be conducted as planned or completed on schedule, if at all, or that our product candidates will receive regulatory approval. Our planned Phase 3 pivotal trials of ESK-001 in PsO, even if successfully completed, may not be sufficient for approval of ESK-001 in that disease. Although we have discussed and intend to further discuss our Phase 3 clinical trial design and overall development plan with the FDA to align on its sufficiency to support an NDA submission, the feedback is typically non-binding and dependent on the strength of the ultimate clinical data and the FDA's perspective on the benefit—risk profile of the treatment in the intended population. For example, the Committee for Medicinal Products for Human Use (CHMP) in the EU provided comments on the length of our two pivotal 24 week Phase 3 trials,

and we plan to address their feedback with our comparator trials. These modifications could delay our development timelines for EU regulatory approval and require substantially more resources. Phase 3 clinical trials typically involve hundreds of patients, have significant costs and take years to complete. In addition to our planned Phase 3 program in PsO, we plan to initiate additional trials of ESK-001 in SLE and Uveitis. Even as these trials progress, issues may arise that could require us to suspend or terminate such clinical trials or could cause the results of one cohort to differ from a prior cohort. For example, we may experience slower than anticipated enrollment in our clinical trials, which may consequently delay our development timelines or permit competitors to obtain approvals that may alter our strategy. A failure of one or more clinical trials can occur at any stage of testing, and our future clinical trials may not be successful.

In addition, even if such clinical trials are successfully completed, we cannot guarantee that the FDA or 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. To the extent that the results of the clinical trials are not satisfactory to the FDA or 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 clinical trials in support of potential approval of our product candidates.

In addition, if the FDA or comparable foreign regulatory authorities grant approval for our product candidates, then, as a condition for approval, the FDA or comparable foreign regulatory authorities may require us to perform costly post-marketing testing, including Phase 4 clinical trials or surveillance to monitor the effects of the marketed product.

Our clinical trial results may also not support approval. In addition, 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 our product candidates are safe and effective for any of their proposed indications;
- the results of clinical trials may not meet the level of statistical significance required by the FDA or comparable foreign regulatory authorities for approval, including due to the heterogeneity of patient populations, or apparent improvement in trial participants receiving placebo;
- we may be unable to demonstrate that our product candidates' clinical and other benefits outweigh their safety risks;
- the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data from preclinical studies or clinical trials;
- The data collected from clinical trials of our product candidates may not be sufficient to the satisfaction of the FDA or comparable foreign regulatory authorities to support the submission of an NDA or other comparable submission in foreign jurisdictions or to obtain regulatory approval in the United States or elsewhere;
- such authorities may disagree with us regarding the formulation, labeling and/or the product specifications of our product candidates;
- approval may be granted only for indications that are significantly more limited than those sought by us, and/or may include significant restrictions on distribution and use;
- the FDA or comparable foreign regulatory authorities will review CMOs' manufacturing process and inspect our CMOs' commercial manufacturing facilities and may not approve our CMOs' manufacturing process or facilities with respect to our product candidates; and
- the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval.

Even if we eventually complete clinical trials and receive approval of an NDA or comparable foreign marketing application for our product candidates, the FDA or comparable foreign regulatory authority may grant approval contingent on the performance of costly additional clinical trials and/or the implementation of a

REMS or comparable foreign strategies, which may be required because the FDA or comparable foreign regulatory authority believes it is necessary to ensure safe use of the product after approval. Any delay in obtaining, or inability to obtain, applicable regulatory approval would delay or prevent commercialization of that product candidate and would materially adversely impact our business and prospects.

In addition, FDA and foreign regulatory authorities may change their policies and new regulations may be enacted. For instance, on April 26, 2023, the European Commission adopted a proposal for a new Directive and Regulation to revise the existing pharmaceutical legislation in the EU. If adopted in the form proposed, the proposals may result in a decrease in data and market exclusivity opportunities for our product candidates in the EU and make them open to generic or biosimilar competition earlier than is currently the case with a related reduction in reimbursement status.

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

The ability of the FDA and comparable foreign regulatory authorities to review and approve new products can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory, and policy changes, the FDA's or comparable foreign regulatory authorities' ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA's or comparable foreign regulatory authorities' ability to perform routine functions. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA and other agencies or comparable foreign authorities may also slow the time necessary for new drugs or modifications to approved drugs to be reviewed and/or approved by necessary government agencies or regulatory authorities, which would adversely affect our business. For example, over the last several years, the U.S. government has shut down several times and certain regulatory authorities, such as the FDA, have had to furlough critical FDA employees and stop critical activities.

Separately, in response to the global COVID-19 pandemic, the FDA postponed most inspections of domestic and foreign manufacturing facilities at various points. Even though the FDA has since resumed standard inspection operations, any resurgence of the virus or emergence of new variants may lead to inspectional or administrative delays. If a prolonged government shutdown occurs, or if global health concerns prevent the FDA or other comparable foreign regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of the FDA or other comparable foreign regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

If our product candidates, if approved, do not achieve broad market acceptance, the revenue that we generate from their sales will be limited.

We have never commercialized a product candidate for any indication. Even if our product candidates are approved by the appropriate regulatory authorities for marketing and sale, they may not gain acceptance among physicians, patients, third-party payors and others in the medical community. If any product candidate for which we obtain regulatory approval does not gain an adequate level of market acceptance, we may not generate sufficient product revenue or become profitable.

The degree of market acceptance of our product candidates, if approved, will depend on a number of factors, some of which are beyond our control, including:

- the safety, efficacy, tolerability and ease of administration of our product candidates;
- the clinical indications for which the products are approved and the approved claims that we may make for the products;
- limitations or warnings contained in the product's approved labeling, including potential limitations on the use of the product or warnings for such products that may be more restrictive than other competitive products;

- distribution and use restrictions imposed by the FDA or comparable foreign regulatory authorities with respect to such product candidates or to which we agree as part of a mandatory REMS or risk management plan;
- changes in the standard of care for the targeted indications for such product candidates;
- the relative difficulty of administration or compliance with administration instructions of such product candidates;
- cost of treatment as compared to the clinical benefit in relation to alternative treatments or therapies;
- the availability of adequate coverage and reimbursement by third parties, such as insurance companies and other healthcare payors, and by government healthcare programs, including Medicare and Medicaid or comparable foreign programs;
- the extent and strength of our marketing and distribution of such product candidates;
- the safety, efficacy and other potential advantages of, and availability of, alternative treatments already used or that may later be approved for any of our intended indications;
- the timing of market introduction of such product candidates, as well as competitive products;
- the reluctance of physicians to switch their patients' current standard of care;
- the reluctance of patients to switch from their existing therapy regardless of the safety and efficacy of newer products;
- our ability to offer such product candidates for sale at competitive prices;
- the extent and strength of our third-party manufacturer and supplier support;
- adverse publicity about our product or favorable publicity about competitive products; and
- potential product liability claims.

Our efforts to educate the medical community and third-party payors as to the benefits of our product candidates may require significant resources and may never be successful. Even if the medical community accepts that our product candidates are safe and effective for their approved indications, physicians and patients may not immediately be receptive to such product candidates and may be slow to adopt them as an accepted treatment of the approved indications. If our current or future product candidates are approved, but do not achieve an adequate level of acceptance among physicians, patients, and third-party payors, we may not generate meaningful revenue from our product candidates and may never become profitable.

We may expend our limited resources to pursue a particular product candidate in specific indications 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 managerial resources, we focus our development efforts on certain selected product candidates in certain selected indications. For example, we are initially focused on our most advanced product candidate, ESK-001, currently in development for the treatment of PsO, SLE, and Uveitis, and our second product candidate, A-005, currently in development for the treatment of neuroinflammatory and neurodegenerative diseases. As a result, we may forgo or delay pursuit of opportunities with other product candidates, or other indications for our existing 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 product candidates. 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 will need to grow our organization, and we may experience difficulties in managing our growth and expanding our operations, which could adversely affect our business.

As of March 31, 2024, we had 107 full-time employees and 2 part-time employees. As our development and commercialization plans and strategies develop, and as we transition into operating as a public company, we

expect to expand our employee base for managerial, operational, financial and other resources. In addition, we have limited experience in manufacturing and commercialization. As our product candidates enter and advance through preclinical studies and clinical trials, we will need to expand our development and regulatory capabilities and contract with other organizations to provide manufacturing and other capabilities for us. In the future, we expect to have to manage additional relationships with future collaborators or partners, suppliers and other organizations. Our ability to manage our operations and future growth will require us to continue to improve our operational, financial and management controls, reporting systems and procedures. We may not be able to implement improvements to our management information and control systems in an efficient or timely manner and may discover deficiencies in existing systems and controls. Our inability to successfully manage our growth and expand our operations could adversely affect our business, financial condition, results of operations and prospects.

We are dependent on the services of our management team and other clinical and scientific personnel, and if we are not able to retain these individuals or recruit additional management or clinical and scientific personnel, our business will suffer.

Our success depends in part on our continued ability to attract, retain and motivate highly qualified management, clinical and scientific personnel. We are highly dependent upon the members of our senior management team. The loss of services of any of these individuals could delay or prevent the successful development of our product pipeline, initiation or completion of our preclinical studies and clinical trials or the commercialization of our product candidates. Although we have executed employment agreements or offer letters with each member of our senior management team, these agreements are terminable at will with or without notice and, therefore, we may not be able to retain their services as expected. We do not currently maintain "key person" life insurance on the lives of our executives or any of our employees. This lack of insurance means that we may not have adequate compensation for the loss of the services of these individuals.

We will need to expand and effectively manage our managerial, operational, financial and other resources in order to successfully pursue our clinical development and commercialization efforts. We may not be successful in maintaining our unique company culture and continuing to attract or retain qualified management and scientific and clinical personnel in the future due to the intense competition for qualified personnel among biopharmaceutical, biotechnology and other businesses, particularly in the greater San Francisco Bay Area. If we are not able to attract, integrate, retain and motivate necessary personnel to accomplish our business objectives, we may experience constraints that will significantly impede the achievement of our development objectives, our ability to raise additional capital and our ability to implement our business strategy.

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

We are exposed to the risk of employee fraud or other illegal activity by our employees, independent contractors, consultants, commercial partners, CROs, CMOs and vendors. Misconduct by these parties could include intentional, reckless and/or negligent conduct that fails to comply with FDA or other regulations, provide true, complete and accurate information to the FDA and other similar foreign regulatory bodies, respect our confidentiality and intellectual property rights, comply with manufacturing standards we may establish, comply with healthcare fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to us. If we obtain FDA approval for our product candidates and begin commercializing those products in the United States, our potential exposure under these laws will increase significantly, and our costs associated with compliance with these laws are likely to increase. 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. Similar requirements apply in foreign countries. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. Additionally, we are subject to the risk that a person could allege such fraud or other misconduct, even if none occurred. It is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply

with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a material and adverse effect on our business, financial condition, results of operations and prospects, including the imposition of significant civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, the curtailment or restructuring of our operations, loss of eligibility to obtain approvals from the FDA or comparable foreign regulatory authorities, exclusion from participation in government contracting, healthcare reimbursement or other government programs, including Medicare and Medicaid or comparable foreign programs, integrity oversight and reporting obligations, or reputational harm.

Our future growth may depend, in part, on our ability to operate in foreign markets, where we would be subject to additional regulatory burdens and other risks and uncertainties.

Our future growth may depend, in part, on our ability to develop and commercialize our product candidates in foreign markets, including in the EU, the United Kingdom and Japan, for which we may rely on collaboration with third parties. We are not permitted to market or promote our product candidates before we receive regulatory approval from the applicable regulatory authority in that foreign market and may never receive such regulatory approval for our product candidates. To obtain separate regulatory approval in many other countries, we must comply with numerous and varying regulatory requirements of such countries regarding safety and efficacy and governing, among other things, clinical trials and commercial sales, pricing and distribution of our product candidates, and we cannot predict success in these jurisdictions. If we fail to comply with the regulatory requirements in international markets and receive applicable regulatory approvals, our target market will be reduced, our ability to realize the full market potential of our product candidates will be harmed and our business will be adversely affected. We may not obtain foreign regulatory approvals on a timely basis, if at all. Our failure to obtain approval for our product candidates by regulatory authorities in another country may significantly diminish the commercial prospects of that product candidate and our business, financial condition, results of operations and prospects could be adversely affected. Moreover, even if we obtain approval of our product candidates and ultimately commercialize our product candidates in foreign markets, we would be subject to these risks and uncertainties, including the burden of complying with complex and changing foreign regulatory, tax, accounting and legal requirements and reduced protection of intellectual property rights in some foreign countries.

Our business entails a significant risk of product liability and our ability to obtain sufficient insurance coverage could adversely affect our business, financial condition, results of operations and prospects.

As we conduct clinical trials of our current or future product candidates, we are exposed to significant product liability risks inherent in the development, testing, manufacturing and marketing of new treatments. Product liability claims could delay or prevent completion of our development programs. If we succeed in marketing products, such claims could result in FDA or other regulatory authority investigation of the safety and effectiveness of our future product candidates, our manufacturing processes and facilities or our marketing programs and potentially a recall of our products or more serious enforcement action, limitations on the approved indications for which they may be used or suspension, variation or withdrawal of approvals. Regardless of the merits or eventual outcome, liability claims may also result in decreased demand for our product candidates, termination of clinical trial sites or entire trial programs, withdrawal of clinical trial participants, injury to our reputation and significant negative media attention, significant costs to defend the related litigation, a diversion of management's time and our resources from our business operations, substantial monetary awards to trial participants or patients, loss of revenue, the inability to commercialize and products that we may develop, and a decline in our stock price. We may need to obtain higher levels of product liability insurance for later stages of clinical development or marketing of our product candidates. Any insurance we may obtain may not provide sufficient coverage against potential liabilities. Furthermore, clinical trial and product liability insurance is becoming increasingly expensive. As a result, we may be unable to obtain sufficient insurance at a reasonable cost to protect us against losses caused by product liability claims that could adversely affect our business, financial condition, results of operations and prospects.

Our insurance policies are expensive and only protect us from some business risks, which will leave us exposed to significant uninsured liabilities.

We do not carry insurance for all categories of risk that our business may encounter. Some of the policies we currently maintain include commercial general liability, general liability, cyber liability, workers' compensation,

clinical trials and directors' and officers' liability insurance. We do not know, however, if we will be able to maintain insurance with adequate levels of coverage. Any significant uninsured liability may require us to pay substantial amounts, which would adversely affect our business, financial condition, results of operations and prospects.

We may engage in strategic transactions in the future, which could impact our liquidity, increase our expenses and present significant distractions to our management.

We may enter into strategic transactions in the future, including acquisitions of companies, asset purchases and in-licensing of intellectual property with the potential to acquire and advance new assets or product candidates where we believe we are well qualified to optimize the development of promising therapies. For example, we were founded in January 2021, and subsequently acquired ESK-001 via a stock purchase of FronThera U.S. Holdings, Inc. and its wholly owned subsidiary, FronThera U.S. Pharmaceuticals LLC (the FronThera Acquisition). Additional potential transactions that we may consider in the future include a variety of business arrangements, including strategic partnerships, in-licensing of product candidates, strategic collaborations, joint ventures, restructurings, divestitures, business combinations and investments. Any future transactions could increase our near and long-term expenditures, result in potentially dilutive issuances of our equity securities, including our common stock, or the incurrence of debt, contingent liabilities, amortization expenses or acquired in-process research and development expenses, any of which could affect our financial condition, liquidity and results of operations.

Future acquisitions may also require us to obtain additional financing, which may not be available on favorable terms or at all. These transactions may never be successful and may require significant time and attention of our management. In addition, the integration of any business that we may acquire in the future may disrupt our existing business and may be a complex, risky and costly endeavor for which we may never realize the full benefits of the acquisition. Accordingly, although there can be no assurance that we will undertake or successfully complete any additional transactions of the nature described above, any additional transactions that we do complete could adversely affect our business, financial condition, results of operations and prospects.

Our ability to use our net operating loss (NOL) carryforwards and certain other tax attributes to offset taxable income or taxes may be limited.

We have incurred substantial losses during our history and do not expect to become profitable in the near future, and we may never achieve profitability. As of December 31, 2023, we had federal NOL carryforwards of $48.6 million and state NOL carryforwards of $4.4 million. Under the Internal Revenue Code of 1986, as amended (the Code), our U.S. federal net operating losses generated post tax years beginning after December 31, 2017 will not expire and may be carried forward indefinitely, but the deductibility of such federal net operating losses is limited to no more than 80% of current year taxable income.

In addition, under Sections 382 and 383 of the Code, if a corporation undergoes an "ownership change," generally defined as a greater than 50 percentage point change (by value) in its equity ownership by certain stockholders over a three-year period, the corporation's ability to use its pre-change NOL carryforwards and other pre-change tax attributes to offset its post-change income or taxes may be limited. We have not completed a Section 382 study to assess whether an ownership change has occurred or whether there have been multiple ownership changes since our formation date, and there may be ownership changes in the future, some of which may be outside of our control. If we undergo an ownership change, and our ability to use our pre-change NOL carryforwards and other pre-change tax attributes (such as research tax credits) to offset our post-change income or taxes (if any) is limited, such limitation could harm our future results of operations by effectively increasing our future tax obligations. Similar provisions of state tax law may also apply to limit our use of accumulated state tax attributes. In addition, at the state level, there may be periods during which the use of net operating losses is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. As a result, even if we attain profitability, we may be unable to use all or a material portion of our net operating losses and other tax attributes, which could adversely affect our future cash flows.

Recent and future changes to tax laws could materially adversely affect our company.

The tax regimes we are subject to or operate under, including with respect to income and non-income taxes, are unsettled and may be subject to significant change. Changes in tax laws, regulations, or rulings, or changes

in interpretations of existing laws and regulations, could materially adversely affect our company. For example, the Tax Cuts and Jobs Act, the Coronavirus Aid, Relief, and Economic Security Act, and the Inflation Reduction Act enacted many significant changes to the U.S. tax laws. Future guidance from the Internal Revenue Service and other tax authorities with respect to such legislation may affect us, and certain aspects thereof could be repealed or modified in future legislation. For example, the Inflation Reduction Act includes provisions that will impact the U.S. federal income taxation of certain corporations, including imposing a 15% minimum tax on the book income of certain large corporations and an excise tax on certain corporate stock repurchases that would be imposed on the corporation repurchasing such stock. In addition, many countries in Europe, as well as a number of other countries and organizations (including the Organization for Economic Cooperation and Development and the European Commission), have proposed, recommended, or (in the case of countries) enacted or otherwise become subject to changes to existing tax laws or new tax laws that could significantly increase our tax obligations in the countries where we do business or require us to change the manner in which we operate our business.

If our information technology systems, or those used by our CROs, CMOs, clinical sites or other third parties upon which we rely, are or were compromised, become unavailable or suffer security breaches, loss or leakage of data or other disruptions, we could suffer material adverse consequences resulting from such compromise, including but not limited to, operational or service interruption, harm to our reputation, regulatory investigations or actions, litigation, fines, penalties and liability, and other adverse consequences to our business, results of operations, and financial condition.

In the ordinary course of our business, we, and the third parties upon which we rely, process personal information and other sensitive data, including intellectual property, trade secrets, proprietary or confidential business information, preclinical and clinical trial data, personal information related to relevant stakeholders, third-party data, and other sensitive data (collectively, sensitive information) and as a result, we and the third parties upon which we rely face a variety of evolving threats which could cause security incidents affecting or interruptions to our information technology systems and sensitive information.

Our information technology systems and those of our CROs, CMOs, clinical sites and other third parties upon which we rely are vulnerable to attack, damage and interruption from a variety of evolving threats, including but not limited to computer viruses, misconfigurations, software bugs, worms, or other vulnerabilities and malicious codes, malware (including ransomware and as a result of advanced persistent threat intrusions), application security attacks, social engineering (including through phishing attacks and deep fakes, which may be increasingly more difficult to identify as fake), supply chain attacks and vulnerabilities through our third-party service providers, denial or degradation-of-service attacks (such as credential stuffing), credential harvesting, personnel misconduct or error, fraud, server malfunctions, software or hardware failures, loss of data or other information technology assets, attacks enhanced or facilitated by AI, adware, telecommunications and electrical failures, terrorism, war, earthquakes, fires, floods, and other similar threats. Such threats are prevalent, are occurring more often, 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. In particular, ransomware attacks, including those from organized criminal threat actors, nation-states and nation-state supported actors, are becoming increasingly prevalent and severe and can lead to significant interruptions, delays, or outages in our operations, loss of data (including sensitive information), loss of income, significant extra expenses to restore data or systems, reputational loss, the diversion of funds and other consequences. To alleviate the negative impact of a ransomware attack, it may be preferable to make extortion payments, but we may be unwilling or unable to do so (including, for example, if applicable laws or regulations prohibit such payments).

Some actors also now engage and are expected to continue to engage in cyberattacks, 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 cyberattacks, that could materially disrupt our systems, operations and supply chain. In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive data about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position.

Additionally, remote work has become more common and has increased risks to our information technology systems and data, as more of our personnel utilize network connections, computers and devices outside our premises or network, including working at home, while in transit and in public locations.

Furthermore, 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. Additionally, 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 acquired entities into our information technology environment and security program.

We may expend significant resources or modify our business activities to try to protect against security incidents. While we take steps designed to anticipate, detect and remediate threats and vulnerabilities, because the threats and techniques used to exploit such vulnerabilities and gain unauthorized access to, to sabotage or otherwise compromise systems change frequently, are often sophisticated in nature, and are often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement and maintain adequate preventative measures. Therefore, such vulnerabilities have and could be exploited but may not be detected until after a security incident has occurred. We may also experience security breaches that may remain undetected for an extended period. Even if identified, we may experience delays in developing and deploying remedial measures designed to address any such identified vulnerabilities and we may be unable to adequately investigate or remediate incidents or breaches due to attackers increasingly using tools and techniques that are designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence. There can be no assurance that our information security policies, controls or procedures, will be fully implemented, complied with or effective in protecting our systems and sensitive information.

Our reliance on third-party service providers could introduce additional cybersecurity risks and vulnerabilities, including supply-chain attacks and other threats to our business operations. We rely on third-party service providers and technologies to operate critical business systems and to process sensitive information in a variety of contexts, including, without limitation, cloud-based infrastructure, data hosting, encryption and authentication technology, personnel email, human resource management, training and other functions. We also rely on third-party service providers to assist with our clinical trials or otherwise to operate our business, including to manage and store sensitive patient data from our clinical trials. 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. Our third-party service providers have and may in the future experience a security incident or other interruption. 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 and infrastructure in our supply chain or our third-party partners' supply chains have not been compromised or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our information technology systems or the third-party information technology systems that support our operations.

We and certain of our service providers have been and are from time to time subject to cyberattacks and security incidents. Any of the previously identified or similar threats have or could cause a security incident or other interruption that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure, or other processing 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 conduct clinical trials. Additionally, sensitive information of the company could be leaked, disclosed, or revealed as a result of or in connection with our employees', personnels', or vendors' use of generative AI technologies.

The costs related to significant security breaches or disruptions could be material and cause us to incur significant expenses. If the information technology systems of our CROs, CMOs, clinical sites and other third parties become subject to disruptions or security incidents, we may have insufficient recourse against such third parties and we may have to expend significant resources to mitigate the impact of such an event, and to develop and implement protections to prevent future events of this nature from occurring. Further, our cyber liability insurance coverage may not be sufficient to cover the financial, legal, business reputational or other losses that may result from an interruption or breach.

If any such incidents were to occur and cause interruptions in our operations, it could result in a disruption of our business and development programs. For example, the loss of clinical trial data from completed or ongoing clinical trials for a product candidate could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data, or may limit our ability to effectively execute a product recall, if required in the future. To the extent that any disruption or security incident were to result in the loss of or damage to our data or applications, or inappropriate disclosure of sensitive information, we could incur liability and the further development of any product candidates could be delayed.

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 whom we rely experience a security incident or are perceived to have experienced a security incident, we may experience adverse consequences such as legal claims or proceedings, liability including litigation exposure, penalties and fines under relevant legal obligations, enforcement actions and investigations by regulatory authorities, additional reporting requirements or oversight, restrictions on processing sensitive information (including personal information), indemnification obligations, monetary fund diversions, diversion of management attention, other financial loss, and damage to our reputation and a loss of confidence in us and our ability to conduct clinical trials, which could delay the clinical development of our product candidates, and of which may adversely affect our business, results of operations or financial condition.

Our operations are concentrated in one location, and we or the third parties upon whom we depend may be adversely affected by a wildfire, earthquake or other natural disasters and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

Our current operations are predominantly located in California. Any unplanned event, such as flood, wildfire, explosion, earthquake, extreme weather condition, medical epidemic including the COVID-19 pandemic, power shortage, telecommunication failure or other natural or manmade accidents or incidents that result in us being unable to fully utilize our facilities may have a material and adverse effect on our ability to operate our business, particularly on a daily basis, and have significant negative consequences on our financial and operating conditions. Any similar impacts of natural or manmade disasters on our third-party service providers, such as our CMOs and CROs located globally, could cause delays in our clinical trials and may have a material and adverse effect on our ability to operate our business and have significant negative consequences on our financial and operating conditions. If a natural disaster, power outage or other event occurred that prevented us from using our clinical trial sites, impacted clinical supply or the conduct of our clinical trials, that damaged critical infrastructure, such as the manufacturing facilities of our third-party CMOs, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we and third parties upon whom we rely have or may have in place may prove inadequate in the event of a serious disaster or similar event. As part of our risk management policy, we maintain insurance coverage at levels that we believe are appropriate for our business. However, in the event of an accident or incident at these facilities, we cannot assure you that the amounts of insurance will be sufficient to satisfy any damages and losses. If our facilities, or the manufacturing facilities of our CMOs, are unable to operate because of an accident or incident or for any other reason, even for a short period of time, any or all of our development programs may be harmed. Any business interruption could adversely affect our business, financial condition, results of operations and prospects.

Our projections regarding the market opportunities for our product candidates may not be accurate, and the actual market for our products may be smaller than we estimate.

The precise incidence and prevalence for all the conditions we aim to address with our product candidates are unknown. Our projections of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with our product candidates, are based on our beliefs and estimates. These estimates have been derived from a variety of sources, including sales of our competitors, scientific literature, surveys of clinics, patient foundations or market research, and may prove to be incorrect in general, or as to their applicability to our company. Further, new trials may change the

estimated incidence or prevalence of these diseases. The total addressable market across all of our product candidates will ultimately depend upon, among other things, the diagnosis criteria included in the final labeling for each of our product candidates approved for sale for these indications, the ability of our product candidates to improve on the safety, convenience, cost and efficacy of competing therapies or therapies in development, acceptance by the medical community and patients, drug pricing and reimbursement. The number of patients in the United States and other major markets and elsewhere may turn out to be lower than expected, patients may not be otherwise amenable to treatment with our product candidates or new patients may become increasingly difficult to identify or gain access to, all of which would adversely affect our business, financial condition, results of operations and prospects. Further, even if we obtain significant market share for our product candidates, because some of our potential target populations are very small, we may never achieve profitability despite obtaining such significant market share.

Our cash and cash equivalents may be exposed to failure of our banking institutions.

While we seek to minimize our exposure to third-party losses of our cash and cash equivalents, we hold our balances in a number of large financial institutions. Notwithstanding, those institutions are subject to risk of failure. For example, on March 10, 2023, Silicon Valley Bank ("SVB") was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation ("FDIC") as receiver. Similarly, on March 12, 2023, Signature Bank was also swept into receivership. The U.S. Department of Treasury, the Federal Reserve Board (the "Federal Reserve"), and the FDIC released a statement that indicated that all depositors of SVB would have access to all of their funds, including funds held in uninsured deposit accounts, after only one business day of closure. The U.S. Department of Treasury, FDIC and Federal Reserve have announced a program to provide up to $25 billion of loans to financial institutions secured by certain of such government securities held by financial institutions to mitigate the risk of potential losses on the sale of such instruments, widespread demands for customer withdrawals or other liquidity needs of financial institutions for immediately liquidity may exceed the capacity of such program. There is no guarantee, however, that the U.S. Department of Treasury, FDIC and Federal Reserve will provide access to uninsured funds in the future in the event of the closure of other banks or financial institutions, or that they would do so in a timely fashion.

Although we expect to assess our banking relationships as we believe necessary or appropriate, our access to cash in amounts adequate to finance or capitalize our current and projected future business operations could be significantly impaired by factors that affect the financial institutions with which we have banking relationships, and in turn, us.

These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial services industry or financial markets, or concerns or negative expectations about the prospects for companies in the financial services industry. These factors could also include factors involving financial markets or the financial services industry generally. The results of events or concerns that involve one or more of these factors could include a variety of material and adverse impacts on our current and projected business operations and our financial condition and results of operations. These could include, but may not be limited to, delayed access to deposits or other financial assets or the uninsured loss of deposits or other financial assets; or termination of cash management arrangements and/or delays in accessing or actual loss of funds subject to cash management arrangements.

In addition, widespread investor concerns regarding the U.S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us to acquire financing on acceptable terms or at all. Any decline in available funding or access to our cash and liquidity resources could, among other risks, adversely impact our ability to meet our operating expenses, financial obligations or fulfill our other obligations, result in breaches of our financial and/or contractual obligations or result in violations of federal or state wage and hour laws. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors not described above, could have material adverse impacts on our liquidity and our current and/or projected business operations and financial condition and results of operations.

In addition, one or more of our critical vendors, third party manufacturers, or other business partners could be adversely affected by any of the liquidity or other risks that are described above, which in turn, could have a material adverse effect on our current and/or projected business operations and results of operations and financial condition. Any business partner bankruptcy or insolvency, or any breach or default by a business partner, or the loss of any significant supplier relationships, could result in material adverse impacts on our current and/or projected business operations and financial condition.

Public opinion and scrutiny of immunology treatments may impact public perception of our company and product candidates, or may adversely affect our ability to conduct our business and our business plans.

Public perception may be influenced by claims, such as claims that our product candidates are unsafe, unethical or immoral and, consequently, our approach may not gain the acceptance of the public or the medical community. Adverse public attitudes may also adversely impact our ability to enroll clinical trials. Moreover, our success will depend upon physicians specializing in the treatment of those diseases that our product candidates target prescribing, and their patients being willing to receive, treatments that involve the use of our product candidates in lieu of, or in addition to, existing treatments they are already familiar with and for which greater clinical data may be available. AEs in our clinical trials, even if not ultimately attributable to our product candidates, and the resulting publicity could result in withdrawal of clinical trial participants, 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. In addition, side effects generally associated with TYK2 or JAK inhibitors may negatively impact public perception of us or ESK-001 and A-005. More restrictive government regulations or negative public opinion could have an adverse effect on our business, financial condition, results of operations and prospects, and may delay or impair the development and, if approved, commercialization of our product candidates or demand for any products we may develop.

Risks Related to Intellectual Property

If we are unable to obtain and maintain sufficient intellectual property protection for our product candidates and any future product candidates we may develop, or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors or other third parties could develop and commercialize products similar or identical to ours, and our ability to successfully develop and commercialize our product candidates may be adversely affected.

We rely upon a combination of patents, know-how and confidentiality agreements to protect the intellectual property related to our product candidates and technologies and to prevent third parties from copying and surpassing our achievements, thus eroding our competitive position in our market.

Our success depends in large part on our ability to obtain and maintain patent protection in the United States and other countries for our product candidates and their uses, as well as our ability to operate without infringing, misappropriating or otherwise violating the proprietary rights of others. We seek to protect our proprietary position by filing patent applications in the United States and abroad related to our product candidates and novel discoveries that are important to our business. Our pending and future patent applications may not result in patents being issued. We cannot assure you that issued patents will afford sufficient protection of our product candidates or their intended uses against competitors, nor can there be any assurance that the patents issued will not be infringed, designed around, invalidated by third parties, or effectively prevent others from commercializing competitive products or product candidates.

Obtaining and enforcing patents is expensive and time-consuming, and we may not be able to file, prosecute, maintain, enforce or license all necessary or desirable patent applications or maintain and/or enforce patents that may issue based on our patent applications, at a reasonable cost or in a timely manner. We may not be able to obtain or maintain patent applications and patents due to the subject matter claimed in such patent applications and patents being in disclosures in the public domain. It is also possible that we will fail to identify patentable aspects of our research and development results before it is too late to obtain patent protection. Although we enter into non-disclosure and confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development output, such as our employees, corporate collaborators, outside scientific collaborators, CROs, CMOs, consultants, advisors and other third

parties, any of these parties may breach these agreements and disclose such results before a patent application is filed, thereby jeopardizing our ability to seek patent protection. Consequently, we may not be able to prevent any third parties from using any of our technology that is in the public domain to compete with our product candidates.

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

The patent position of biopharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation, resulting in court decisions, including Supreme Court decisions, which have increased uncertainties as to the ability to enforce patent rights in the future. As a result, the issuance, scope, validity, enforceability and commercial value of any patent rights are highly uncertain. Our pending and future owned or in-licensed patent applications may not result in issued patents that protect our product candidates effectively to prevent others from commercializing our product candidates or otherwise provide any competitive advantage. In fact, patent applications may not issue as patents at all. The coverage claimed in a patent application can also be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the United States, or vice versa.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability and our pending patent applications may be challenged in patent offices in the United States and abroad. Even issued patents may later be found invalid or unenforceable or may be modified or revoked in proceedings instituted by third parties before various patent offices or in courts. For example, our pending patent applications may be subject to third-party pre-issuance submissions of prior art to the USPTO, or our issued patents may be subject to post-grant review (PGR) proceedings, oppositions, derivations, reexaminations, interferences, inter partes review (IPR) proceedings or other similar proceedings, in the United States or elsewhere, challenging our patent rights or the patent rights of others. Such submissions may also be made prior to a patent's issuance, precluding the granting of a patent based on one or more of our owned pending patent applications. An adverse determination in any such challenges may result in loss of exclusivity or in patent claims being narrowed, invalidated, or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical product candidates, or limit the duration of the patent protection of our product candidates. Such challenges also may result in substantial cost and require significant time from our scientists and management, even if the eventual outcome is favorable to us. Any of the foregoing could adversely affect our business, financial condition, results of operations and prospects.

A third party may also claim that our patent rights are invalid or unenforceable in a litigation. An adverse result in any legal proceeding could put one or more of our owned or patents at risk of being invalidated or interpreted narrowly and could allow third parties to commercialize our products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize our technology, products or product candidates without infringing third-party patent rights.

In addition, given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such product candidates might expire before or shortly after such candidates are commercialized. The degree of future protection for our proprietary rights is uncertain. Only limited protection may be available and may not adequately protect our rights or permit us to gain or keep any competitive advantage. Any failure to obtain or maintain patent protection with respect to our product candidates or their uses could adversely affect our business, financial condition, results of operations and prospects.

We cannot ensure that patent rights relating to inventions described and claimed in our or any future licensors pending patent applications will issue or that patents based on our or any future licensors patent applications will not be challenged and rendered invalid and/or unenforceable.

The patent application process is subject to numerous risks and uncertainties, and there can be no assurance that we or any potential future licensors or collaborators will be successful in protecting our product candidates by obtaining and defending patents. We have several pending United States and foreign patent applications in our portfolio. We cannot predict:

- if and when patents may issue based on our patent applications;
- the scope of protection of any patent issuing based on our patent applications;
- whether the claims of any patent issuing based on our patent applications will provide protection against competitors;
- whether or not third parties will find ways to invalidate or circumvent our patent rights;
- whether or not others will obtain patents claiming aspects similar to those covered by our patents and patent applications;
- whether we will need to initiate litigation or administrative proceedings to enforce and/or defend our patent rights which will be costly whether we win or lose;
- whether the patent applications that we own will result in issued patents with claims that cover our product candidates or uses thereof in the United States or in other foreign countries; or
- whether, if the COVID-19 pandemic continues to spread around the globe, we may experience patent office interruption or delays to our ability to timely secure patent coverage to our product candidates.

We cannot be certain that the claims in our or any future licensors' pending patent applications directed to our product candidates will be considered patentable by the USPTO or by patent offices in foreign countries. There can be no assurance that any such patent applications will issue as granted patents. One aspect of the determination of patentability of our or any future licensors' inventions depends on the scope and content of the "prior art," information that was or is deemed available to a person of skill in the relevant art prior to the priority date of the claimed invention. There may be prior art of which we are not aware that may affect the patentability of our or any future licensors' patent claims or, if issued, affect the validity or enforceability of a patent claim. Even if the patents do issue based on our or any future licensors' patent applications, third parties may challenge the validity, enforceability or scope thereof, which may result in such patents being narrowed, invalidated or held unenforceable. Furthermore, even if they are unchallenged, patents in our or any future licensors' portfolio may not adequately exclude third parties from practicing relevant technology or prevent others from designing around our claims. If the breadth or strength of our intellectual property position with respect to our product candidates is threatened, it could dissuade companies from collaborating with us to develop and threaten our ability to commercialize our product candidates. In the event of litigation or administrative proceedings, we cannot be certain that the claims in any of our issued patents will be considered valid by courts in the United States or foreign countries.

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

Patents are of national or regional effect, and filing, prosecuting and defending patents on all of our research programs and product candidates in all countries throughout the world would be prohibitively expensive. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States, even in jurisdictions where we do pursue patent protection. Consequently, we may not be able to prevent third parties from practicing our or any future licensors' inventions in all countries outside the United States, even in jurisdictions where we or any future licensors do pursue patent protection, or from selling or importing products made using our or any future licensors' inventions in and into the United States or other jurisdictions. Competitors may use our or any future licensors' 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 or any future licensors have patent protection, but enforcement is not as strong as that in the United States. These competitor products may

compete with our product candidates, and our or any future licensors' patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Various companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of many countries do not favor the enforcement of patents and other intellectual property protection, particularly those relating to pharmaceuticals, which could make it difficult for us to stop the infringement of our or any future licensors' patents or marketing of competing products in violation of our proprietary rights.

Certain countries outside the United States have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. As a result, a patent owner may have limited remedies in certain circumstances, which could materially diminish the value of such patent. If we or any future licensors are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired, and our business, financial condition, results of operations and prospects may be adversely affected. 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 in the future.

Further, the standards applied by the USPTO and foreign patent offices in granting patents are not always applied uniformly or predictably. As such, we do not know the degree of future protection that we will have on our product candidates. While we will endeavor to try to protect our product candidates with intellectual property rights, such as patents, as appropriate, the process of obtaining patents is time consuming, expensive and unpredictable.

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

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

- others may be able to make product candidates that are similar to ours but that are not covered by the pending patent applications that we own or any patents or patent applications that we may in-license in the future;
- we or any future licensors or collaborators might not have been the first to make the inventions covered by the pending patent application that we own or may in-license in the future;
- we or any future licensors or collaborators might not have been the first to file patent applications covering certain of our or their inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing or otherwise violating our owned intellectual property rights or any patent applications that we may license in the future;
- it is possible that noncompliance with the USPTO and foreign governmental patent agencies requirement for a number of procedural, documentary, fee payment and other provisions during the patent process can result in abandonment or lapse of a patent or patent application, and partial or complete loss of patent rights in the relevant jurisdiction;
- it is possible that our pending owned patent applications or those that we may own or license in the future will not lead to issued patents;
- issued patents, if any arise in the future, that we either own or that we may license in the future may be revoked, modified, or held invalid or unenforceable, as a result of legal challenges by our competitors;
- others may have access to the same intellectual property rights licensed to us in the future on a non-exclusive basis;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;

- we may not develop additional proprietary technologies that are patentable;
- we cannot predict the scope of protection of any patent issuing based on our or any future licensors' patent applications, including whether the patent applications that we own, or, in the future, in-license will result in issued patents with claims directed to our product candidates or uses thereof in the United States or in other foreign countries;
- there may be significant pressure on the United States government and international governmental bodies to limit the scope of patent protection both inside and outside the United States for disease treatments that prove successful, as a matter of public policy regarding worldwide health concerns;
- countries other than the United States may have patent laws less favorable to patentees than those upheld by United States courts, allowing foreign competitors a better opportunity to create, develop and market competing product candidates; the claims of any patent issuing based on our patent applications may not provide protection against competitors or any competitive advantages, or may be challenged by third parties;
- if enforced, a court may not hold that our patents, if they issue in the future, are valid, enforceable and infringed;
- we may need to initiate litigation or administrative proceedings to enforce and/or defend our patent rights which will be costly whether we win or lose;
- we may choose not to file a patent application in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent application covering such intellectual property;
- we may fail to adequately protect and police our trademarks and trade secrets; and
- the patents of others may have an adverse effect on our business, including if others obtain patents claiming subject matter similar to or improving that covered by our patent applications.

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

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 product candidates.

As the biopharmaceutical industry expands and more patents are issued, the risk increases that our product candidates may be subject to claims of infringement of the patent rights of third parties. There can be no assurance that our operations do not, or will not in the future, infringe, misappropriate or otherwise violate existing or future third-party patents or other intellectual property rights. Identification of third-party patent rights that may be relevant to our operations is difficult because patent searching is imperfect due to differences in terminology among patents, incomplete databases and the difficulty in assessing the meaning of patent claims. We cannot guarantee that any of our patent searches or analyses, including the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, are complete or thorough, nor can we be certain that we have identified each and every third-party patent and pending application in the United States and abroad that is relevant to or necessary for the commercialization of our product candidates in any jurisdiction.

Numerous United States and foreign patents and pending patent applications exist in our market that are owned by third parties. Our competitors in both the United States and abroad, many of which have substantially greater resources and have made substantial investments in patent portfolios and competing technologies, may have applied for or obtained or may in the future apply for and obtain, patents that will prevent, limit or otherwise interfere with our ability to make, use and sell our product candidates. We do not always conduct independent reviews of pending patent applications and patents issued to third parties. Patent applications in the United States and elsewhere are typically published approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date. Certain United States applications that will not be filed outside the United States can remain confidential until patents issue. In addition, patent applications in the United States and elsewhere can be pending for many years before issuance, or unintentionally abandoned patents or applications can be revived. Furthermore, pending patent applications that have been published can, subject to certain limitations, be later

amended In a manner that could cover our product candidates or the use of our product candidates. As such, there may be applications of others now pending or recently revived patents of which we are unaware. These patent applications may later result in issued patents, or the revival of previously abandoned patents, that may be infringed by the manufacture, use or sale of our product candidates or will prevent, limit or otherwise interfere with our ability to make, use or sell our product candidates.

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. For example, we may incorrectly determine that our product candidates 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. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our product candidates.

We cannot provide any assurances that third-party patents and other intellectual property rights do not exist which might be enforced against our current technology, including our research programs, product candidates, their respective methods of use, manufacture and formulations thereof, and could result in either an injunction prohibiting our manufacture or future sales, or, with respect to our future sales, an obligation on our part to pay royalties and/or other forms of compensation to third parties, which could be significant.

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

Competitors or other third parties may infringe our patents, trademarks or other intellectual property. To counter infringement or unauthorized use, we or any future licensors may be required to file infringement claims, which can be expensive and time consuming and divert the time and attention of our management and scientific personnel. Our or any future licensors' pending patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe their patents, in addition to counterclaims asserting that our patents or any future licensors' patents are invalid or unenforceable, or both. In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, non-enablement, insufficient written description or failure to claim patent-eligible subject matter. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO or made a misleading statement during prosecution. The outcome following legal assertions of invalidity and unenforceability is unpredictable. In any patent infringement proceeding, there is a risk that a court will decide that a patent of ours or any future licensors is invalid or unenforceable, in whole or in part, and that we do not have the right to stop the other party from using the invention at issue. There is also a risk that, even if the validity of such patents is upheld, the court will construe the patent's claims narrowly or decide that we do not have the right to stop the other party from using the invention at issue on the grounds that our or any future licensors' patent claims do not cover the invention, or decide that the other party's use of our or any future licensors' patented technology falls under the safe harbor to patent infringement under 35 U.S.C. §271I(1). An adverse outcome in a litigation or proceeding involving our or any future licensors' patents could limit our ability to assert our or any future licensors' patents against those parties or other competitors and may curtail or preclude our ability to exclude third parties from making and selling similar or competitive products. Any of these occurrences could adversely affect our competitive position, and our business, financial condition, results of operations and prospects. Similarly, if we assert trademark infringement claims, a court may determine that the marks we have asserted are invalid or unenforceable, or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks.

Even if we establish infringement, the court may decide not to grant an injunction against further infringing activity and instead award only monetary damages, which may or may not be an adequate remedy. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during

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 adversely affect the price of shares of our common stock. Moreover, we cannot assure you that we will have sufficient financial or other resources to file and pursue such infringement claims, which typically last for years before they are concluded. Even if we ultimately prevail in such claims, the monetary cost of such litigation and the diversion of the attention of our management and scientific personnel could outweigh any benefit we receive as a result of the proceedings.

We may become involved in third-party claims of intellectual property infringement, which may prevent or delay our product discovery and development efforts.

Our commercial success depends in part on our avoiding infringement of the patents and proprietary rights of third parties. There is a substantial amount of litigation involving the infringement of patents and other intellectual property rights in the biotechnology and pharmaceutical industries. We may be exposed to, or threatened with, future litigation by third parties having patent or other intellectual property rights and who allege that our product candidates, uses and/or other proprietary technologies infringe their intellectual property rights. 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 our product candidates. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk that our product candidates may give rise to claims of infringement of the patent rights of others increases. Moreover, it is not always clear to industry participants, including us, which patents exist which may be found to cover various types of drugs, products or their methods of use or manufacture. Thus, because of the large number of patents issued and patent applications currently pending in our fields, there may be a risk that third parties may allege they have patent rights which are infringed by our product candidates, technologies or methods.

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

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

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. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations or could otherwise have a material adverse effect on our business, results of operations, financial condition and prospects.

Third parties may assert that we are employing their proprietary technology without authorization. Generally, conducting preclinical and clinical trials and other development activities in the United States is not considered an act of infringement. While we may believe that patent claims or other intellectual property rights of a third party would not have a materially adverse effect on the commercialization of our product candidates, we may be incorrect in this belief, or we may not be able to prove it in litigation. In this regard, patents issued in the United States by law enjoy a presumption of validity that can be rebutted only with evidence that is "clear and

convincing," a heightened standard of proof. There may be issued third-party patents of which we are currently unaware with claims to compositions, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our product candidates. Patent applications can take many years to issue. There may be currently pending patent applications which may later result in issued patents that may be infringed by our product candidates. Moreover, we may fail to identify relevant patents or incorrectly conclude that a patent is invalid, not enforceable, exhausted, or not infringed by our activities. If any third-party patents, held now or obtained in the future by a third party, were found by a court of competent jurisdiction to cover the manufacturing process of our product candidates, the holders of any such patents may be able to block our ability to commercialize the product candidate unless we obtained a license under the applicable patents, or until such patents expire or they are finally determined to be held invalid or unenforceable. Similarly, if any third-party patent were held by a court of competent jurisdiction to cover any aspect of our formulations, any combination therapies or patient selection methods, the holders of any such patent may be able to block our ability to develop and commercialize the product candidate unless we obtained a license or until such patent expires or is finally determined to be held invalid or unenforceable. In either case, such a license may not be available on commercially reasonable terms or at all. If we are unable to obtain a necessary license to a third-party patent on commercially reasonable terms, or at all, our ability to commercialize our product candidates may be impaired or delayed, which could in turn significantly harm our business. Even if we obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates.

Parties making claims against us may seek and obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize our product candidates. Defense of these claims, regardless of their merit, could involve substantial litigation expense and would be a substantial diversion of employee resources from our business. In the event of a successful claim of infringement against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, obtain one or more licenses from third parties, pay royalties or redesign our infringing products, which may be impossible or require substantial time and monetary expenditure. We cannot predict whether any such license would be available at all or whether it would be available on commercially reasonable terms. Furthermore, even in the absence of litigation, we may need or may choose to obtain licenses from third parties to advance our research or allow commercialization of our product candidates. We may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, if at all. In that event, we would be unable to further develop and commercialize our product candidates, which could harm our business significantly.

We may not be successful in obtaining or maintaining necessary rights to our product candidates through acquisitions and in-licenses.

Because our development programs may in the future require the use of proprietary rights held by third parties, the growth of our business may depend in part on our ability to acquire, in-license, or use these third-party proprietary rights. We may be unable to acquire or in-license any compositions, methods of use, processes or other third-party intellectual property rights from third parties that we identify as necessary for our product candidates on commercially reasonable terms or at all. Even if we are able to in-license any such necessary intellectual property, it could be on nonexclusive terms, thereby giving our competitors and other third parties access to the same intellectual property licensed to us, and it could require us to make substantial licensing and royalty payments. The licensing and acquisition of third-party intellectual property rights is a competitive area, and a number of 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 obtained, we may have to abandon development of the relevant program or product candidate, which could adversely affect our business, financial condition, results of operations and prospects.

We may enter into license agreements in the future with others to advance our existing or future research or allow commercialization of our existing or future product candidates. These licenses may not provide exclusive rights to use such intellectual property and technology in all relevant fields of use and in all territories in which we may wish to develop or commercialize our technology and product candidates in the future. In that event, we may be required to expend significant time and resources to redesign our product candidates, or the methods for manufacturing them, all of which may not be feasible on a technical or commercial basis. If we are unable to do so, we may be unable to develop or commercialize the affected product candidates, which could harm our business, financial condition, results of operations, and prospects significantly. We cannot provide any assurances that third-party patents do not exist which might be enforced against our current manufacturing methods, product candidates, or future methods or product candidates resulting in either an injunction prohibiting our manufacture or future sales, or, with respect to our future sales, an obligation on our part to pay royalties and/or other forms of compensation to third parties, which could be significant.

We may become subject to claims challenging the inventorship or ownership of our or any future licensors' patents and other intellectual property.

We may be subject to claims that former employees, collaborators or other third parties have an interest in our or any future licensors' patents or other intellectual property as an inventor or co-inventor. The failure to name the proper inventors on a patent application can result in the patents issuing thereon being unenforceable. Inventorship disputes may arise from conflicting views regarding the contributions of different individuals named as inventors, the effects of foreign laws where foreign nationals are involved in the development of the subject matter of the patent, conflicting obligations of third parties involved in developing our product candidates or as a result of questions regarding co-ownership of potential joint inventions. Litigation may be necessary to resolve these and other claims challenging inventorship or ownership. Alternatively, or additionally, we may enter into agreements to clarify the scope of our rights in such intellectual property. 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 adversely affect 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.

Any future licensors may have relied on third-party consultants or collaborators or on funds from third parties, such as the United States government, such that these licensors are not the sole and exclusive owners of the patents we in-licensed. If other third parties have ownership rights or other rights to our in-licensed patents, they may be able to license such patents to our competitors, and our competitors could market competing products and technology. This could adversely affect our competitive position, business, financial condition, results of operations and prospects.

In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Such claims could adversely affect our business, financial condition, results of operations and prospects.

We may form or seek collaborations or strategic alliances or enter into licensing arrangements in the future, and we may neither enter into, nor realize the benefits of, such alliances or licensing arrangements.

Any future collaborations that we enter into may not be successful and we may not enter into such collaborations at all. The success of our collaboration arrangements will depend heavily on the efforts and activities of any future 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 trial or test 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, or the ongoing COVID-19 pandemic;

- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our 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 future product candidates 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 future product candidates;
- collaborators may own or co-own intellectual property covering our product candidates 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.

If we fail to comply with our obligations in agreements under which we in-license or acquire development or commercialization rights to product candidates, or data from third parties, we could lose such rights that are important to our business.

We may in the future in-license or otherwise acquire development or commercialization rights to product candidates or data from third parties, and any future licensors may rely upon third-party companies, consultants or collaborators, or on funds from third parties such that licensors are not the sole and exclusive owners of the patents we in-license. If any future licensors fail to prosecute, maintain, enforce, and defend such patents, or lose rights to those patents, the rights we have licensed may be reduced or eliminated, and our right to develop and commercialize future product candidates that may be subject of such licensed rights could be adversely affected. In spite of our efforts, any future licensors might conclude that we are in material breach of obligations under our license agreements and may therefore have the right to terminate the license agreements, thereby removing our ability to develop and commercialize product candidates and technology covered by such license agreements. If such in-licenses are terminated, or if the underlying patents fail to provide the intended exclusivity, our competitors will have the freedom to seek regulatory approval of, and to market, products identical to our product candidates and the licensors to such in-licenses could prevent us from developing or commercializing product candidates that rely upon the patents or other intellectual property rights which were the subject matter of such terminated agreements. Any of these events could adversely affect our business, financial condition, results of operations, and prospects.

Disputes may arise regarding intellectual property subject to a licensing agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- our financial or other obligations under the license agreement;
- the extent to which our processes infringe on intellectual property of the licensor that is not subject to the licensing agreement;
- the sublicensing of patent and other rights under our collaborative development relationships;

- our diligence obligations under the license agreement and what activities satisfy those obligations;
- the inventorship or ownership of inventions and know-how resulting from the joint creation or use of intellectual property by any future licensors and us and our partners; and
- the priority of invention of patented technology.

In addition, any future license agreements are likely to be complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could adversely affect our business, financial condition, results of operations, and prospects. Moreover, if disputes over intellectual property that we may license in the future prevent or impair our ability to maintain future licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates, which could adversely affect our business, financial condition, results of operations, and prospects.

Any license agreements we enter into in the future may be subject to certain rights retained by third parties.

Any future licensors may retain certain rights under the relevant agreements with us, including the right to use the underlying product candidates for academic and research use, to publish general scientific findings from research related to the product candidates, to make customary scientific and scholarly disclosures of information relating to the product candidates, or to develop or commercialize the licensed product candidates in certain regions.

In addition, the United States federal government retains certain rights in inventions produced with its financial assistance under the Patent and Trademark Law Amendments Act (Bayh-Dole Act). The federal government retains a "nonexclusive, nontransferable, irrevocable, paid-up license" for its own benefit. The Bayh-Dole Act also provides federal agencies with "march-in rights." March-in rights allow the government, in specified circumstances, to require the contractor or successors in title to the patent to grant a "nonexclusive, partially exclusive, or exclusive license" to a "responsible applicant or applicants." If the patent owner refuses to do so, the government may grant the license itself. We may at times choose to collaborate with academic institutions to accelerate our preclinical research or development. While we do not currently engage, and it is our policy to avoid engaging, university partners in projects in which there is a risk that federal funds may be commingled, we cannot be sure that any co-developed intellectual property will be free from government rights pursuant to the Bayh-Dole Act. Although none of our licenses to date are subject to march-in rights, if, in the future, we co-own or license in technology which is critical to our business that is developed in whole or in part with federal funds subject to the Bayh-Dole Act, our ability to enforce or otherwise exploit patents covering such technology may be adversely affected.

Changes in patent law in the United States and other jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our product candidates.

As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining, defending, maintaining and enforcing patents in the biopharmaceutical industry involves both technological and legal complexity and is therefore costly, time consuming and inherently uncertain. Changes in either the patent laws or interpretation of the patent laws in the United States could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents, and may diminish our ability to protect our inventions, obtain, maintain, enforce and protect our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our future owned and licensed patents. Patent reform legislation in the United States and other countries, including the Leahy-Smith America Invents Act (Leahy-Smith Act), signed into law on September 16, 2011, could increase those uncertainties and costs surrounding the prosecution of patent applications filed after March 2013 and the enforcement or defense of our future issued patents or claiming priority to patent applications filed after March 2023. The Leahy-Smith Act includes a number of significant changes to United States patent law. These include provisions that affect the way patent applications are prosecuted, redefine prior art and provide more efficient and cost-effective avenues for competitors to challenge the validity of patents. These include allowing third-party submission of prior art to

the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO administered post-grant proceedings, including post-grant review, inter partes review, and derivation proceedings.

Further, because of a lower evidentiary standard in these USPTO post-grant proceedings compared to the evidentiary standard in United States federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our or any future licensors' patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action. Thus, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our or any future licensors' patent applications and the enforcement or defense of our or any future licensors' future issued patents, all of which could adversely affect our business, financial condition, results of operations and prospects.

After March 2013, under the Leahy-Smith Act, the United States transitioned to a first inventor to file system in which, assuming that the other statutory requirements are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third-party was the first to invent the claimed invention. A third party that files a patent application in the USPTO after March 2013, but before we file an application covering the same invention, could therefore be awarded a patent covering an invention of ours or any future licensors even if we had made the invention before it was made by such third party. This will require us to be cognizant going forward of the time from invention to filing of a patent application. Since patent applications in the United States and most other countries are confidential for a period of time after filing or until issuance, we cannot be certain that we or any future licensors were the first to either (i) file any patent application related to our product candidates and other proprietary technologies we may develop or (ii) invent any of the inventions claimed in our or any future licensors' patents or patent applications. Even where we have a valid and enforceable patent, we may not be able to exclude others from practicing the claimed invention where the other party can show that they used the invention in commerce before our filing date or the other party benefits from a compulsory license. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our future issued patents, all of which could adversely affect our business, financial condition, results of operations and prospects.

In addition, the patent positions of companies in the development and commercialization of pharmaceuticals are particularly uncertain. 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. Depending on future actions by the United States Congress, the United States courts, the USPTO and the relevant law-making bodies in other countries, the laws and regulations governing patents could change in unpredictable ways that would weaken our or any future licensors' ability to obtain new patents and patents that we or any future licensors might obtain in the future. We cannot predict how future decisions by the courts, the United States Congress or the USPTO may impact the value of our patents. Any similar adverse change in the patent laws of other jurisdictions could also adversely affect our business, financial condition, results of operations and prospects.

In 2012, the European Union Patent Package (EU Patent Package) regulations were passed with the goal of providing a single pan-European Unitary Patent and a new European Unified Patent Court (UPC) for litigation involving European patents. The EU Patent Package was implemented on June 1, 2023. As a result, all European patents, including those issued prior to ratification of the EU Patent Package, now by default automatically fall under the jurisdiction of the UPC. It is uncertain how the UPC will impact granted European patents in the biotechnology and pharmaceutical industries. Our European patent applications, if issued, could be challenged in the UPC. During the first seven years of the UPC's existence, the UPC legislation allows a patent owner to opt its European patents out of the jurisdiction of the UPC. We may decide to opt out our future European patents from the UPC , but doing so may preclude us from realizing the benefits of the UPC. Moreover, if we do not meet all of the formalities and requirements for opt-out under the UPC, our future European could remain under the jurisdiction of the UPC. The UPC will provide our competitors with a new forum to centrally revoke our European patents, and allow for the possibility of a competitor to obtain pan-European injunction. Such a loss of patent protection could have a material adverse impact on our

business and our ability to commercialize our technology and product candidates and, resultantly, on our business, financial condition, prospects and results of operations.

Obtaining and maintaining 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 as a result of noncompliance 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 patent applications. We rely on our outside patent counsel to pay these fees due to United States and non-United States patent agencies. The USPTO and various non-United States government patent agencies require compliance with several procedural, documentary, fee payment and other similar provisions during the patent application process. In many cases, an inadvertent lapse 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 noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, potential competitors might be able to enter the market and this circumstance could adversely affect our business, financial condition, results of operations and prospects.

Patent terms may be inadequate to protect our competitive position on products or product candidates for an adequate amount of time.

Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest United States non-provisional or international patent application filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering our products or product candidates are obtained, once the patent life has expired, we may be open to competition from competitive products, including generics or biosimilars. Given the amount of time required for the development, testing and regulatory review of products or new product candidates, patents protecting such products or candidates might expire before or shortly after such products or candidates are commercialized. As a result, our patent portfolio may not provide us with sufficient and continuing rights to exclude others from commercializing products similar or identical to ours.

If we do not obtain patent term extension for our product candidates, our business may be materially harmed.

Depending upon the timing, duration and specifics of any FDA regulatory approval of our product candidates, one or more of our issued United States patents or issued United States patents that we may own in the future may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Action of 1984 (Hatch-Waxman Amendments). The Hatch-Waxman Amendments permit a patent extension term (PTE) of up to five years as compensation for patent term lost during 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. Similar patent term restoration provisions to compensate for commercialization delay caused by regulatory review are also available in certain foreign jurisdictions, such as in Europe under Supplemental Protection Certificate (SPC). However, we may not be granted any extensions for which we apply because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents, or otherwise failing to satisfy applicable requirements. In addition, to the extent we wish to pursue patent term extension based on a patent that we in-license from a third party, we would need the cooperation of that third party. Moreover, the applicable time period or the scope of patent protection afforded 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, our competitors may obtain approval of competing products following our patent expiration, and our business, financial condition, results of operations and prospects could be materially harmed.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to the protection afforded by patents, we seek to rely on trade secret protection to protect proprietary know-how that is not patentable, processes for which patents are difficult to enforce and any other

elements of our product discovery and development processes that involve proprietary know-how, information, or technology that is not covered by our patents. We may not be able to meaningfully protect our trade secrets. Although we require all of our employees to assign their inventions to us, and require 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 be certain that our trade secrets and other confidential proprietary information will not be disclosed to our competitors or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Furthermore, the laws of some foreign countries do not protect proprietary rights to the same extent or in the same manner as the laws within the United States. We may need to share our trade secrets and proprietary know-how with current or future partners, collaborators, contractors and others located in countries at heightened risk of theft of trade secrets, including through direct intrusion by private parties or foreign actors, and those affiliated with or controlled by state actors. As a result, we may encounter significant problems in protecting and defending our intellectual property both in the United States and abroad. If we are unable to prevent unauthorized material disclosure of our intellectual property to third parties, we will not be able to establish or maintain a competitive advantage in our market, which could materially adversely affect our business, operating results and financial condition.

Monitoring and detecting unauthorized disclosure or other compromise of trade secrets is difficult, and we do not know whether the steps we have taken to prevent such compromise are, or will be, adequate. If we were to enforce a claim that a third party had illegally obtained and was using our trade secrets, it would be expensive and time-consuming, and the outcome would be unpredictable. In addition, courts outside the United States are sometimes less willing to protect trade secrets. If we choose to go to court to stop a third party from using any of our trade secrets, we may incur substantial costs. These lawsuits may consume our time and other resources even if we are successful. For example, significant elements of our business, including confidential aspects of sample preparation, methods of manufacturing, proprietary assays, computational-biological algorithms, data analytics and machine learning related to genetics, genomics, proteomics, biomarkers and samples, and related processes and software, are based on unpatented trade secrets, including those of our collaborators. For example, our collaborator, Foresite Labs, utilizes extensive trade secret algorithms, machine learning and AI analysis techniques, and we rely on their maintenance of these trade secrets. Although we take steps to protect our proprietary information and trade secrets, including through contractual means with our employees and consultants, third parties may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets or disclose our technology.

We may be subject to claims asserting that our employees, consultants or advisors have wrongfully used or disclosed alleged trade secrets of their current or former employers or claims asserting ownership of what we regard as our own intellectual property.

Certain of our employees, consultants or advisors have in the past and may in the future be employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. 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 these individuals or we have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer. 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. An inability to incorporate such technologies or features would harm our business and may prevent us from successfully commercializing our technologies or product candidates. In addition, we may lose personnel as a result of such claims and any such litigation, or the threat thereof, may adversely affect our ability to hire employees or contract with independent contractors. A loss of key personnel or their work product could hamper or prevent our ability to commercialize our technologies, or product candidates, which could adversely affect our business, financial condition, results of operations and prospects. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

In addition, we may in the future be subject to claims by former employees, consultants or other third parties asserting an ownership right in our patents or patent applications. An adverse determination in any such submission or proceeding may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others

from using or commercializing similar technology and therapeutics, without payment to us, or could limit the duration of the patent protection covering our technologies and product candidates. Such challenges may also result in our inability to develop, manufacture or commercialize our technologies and product candidates without infringing third-party patent rights. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future technologies and product candidates. Any of the foregoing could adversely affect our business, financial condition, results of operations and prospects.

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

Our unregistered trademarks, trade names or future registered trademarks may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. During trademark registration proceedings, we may receive rejections of our applications by the USPTO or in other foreign jurisdictions. Although we are given an opportunity to respond to such rejections, we may be unable to overcome them. In addition, in the USPTO and in comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, which may not survive such proceedings. Moreover, any name we have proposed to use with our product candidate in the United States must be approved by the FDA, regardless of whether we have registered it, or applied to register it, as a trademark. Similar requirements exist in Europe. The FDA typically conducts a review of proposed product names, including an evaluation of potential for confusion with other product names. If the FDA or an equivalent administrative body in a foreign jurisdiction objects to any of our proposed proprietary product names, 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. Furthermore, in many countries, owning and maintaining a trademark registration may not provide an adequate defense against a subsequent infringement claim asserted by the owner of a senior trademark.

We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential partners or customers in our markets of interest. At times, competitors or other third parties may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively, and our business may be adversely affected. Our efforts to enforce or protect our proprietary rights related to trademarks, trade names, domain name or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely affect our business, financial condition, results of operations and prospects.

Risks Related to Government Regulation

Even if we receive regulatory approval for our product candidates, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense. Additionally, our product candidates, if approved, could be subject to labeling and other restrictions and market withdrawal. We may also be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our product candidates.

Any regulatory approvals that we or our future collaborators obtain for our product candidates may also be subject to limitations on the approved indicated uses for which a product may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing and surveillance to monitor the safety and efficacy of the product candidate.

In addition, if the FDA or a comparable foreign regulatory authority approves our product candidates, the manufacturing processes, labeling, packaging, distribution, post-approval monitoring and AE reporting, storage, import, export, advertising, promotion and recordkeeping for the product will be subject to extensive

and ongoing regulatory requirements. The FDA has significant post-market authority, including the authority to require labeling changes based on new safety information and to require post-market studies or clinical trials to evaluate safety risks related to the use of a product or to require withdrawal of the product from the market. The FDA also has the authority to require a REMS after approval, which may impose further requirements or restrictions on the distribution or use of an approved drug. Comparable foreign regulatory authorities may have similar authority. The manufacturing facilities we use to make a future product, if any, will also be subject to periodic review and inspection by the FDA and other regulatory authorities, including for continued compliance with cGMP requirements. The discovery of any new or previously unknown problems with our third-party manufacturers, manufacturing processes or facilities may result in restrictions on the product, manufacturer or facility, including withdrawal of the product from the market. As we expect to rely on third-party manufacturers, we will have limited control over compliance with applicable rules and regulations by such manufacturers.

In addition, any product promotion and advertising will also be subject to regulatory requirements and continuing regulatory review. For example, the FDA and comparable foreign regulatory authorities impose stringent restrictions on manufacturers' communications regarding use of their products. Although clinicians may prescribe products for off-label uses, as the FDA and comparable foreign regulatory authorities do not regulate a physician's choice of drug treatment made in the physician's independent medical judgment, the FDA and such comparable foreign regulatory authorities do restrict promotional communications from companies or their sales force with respect to off-label uses of products. Specifically, any regulatory approval that the FDA grants is limited to those specific diseases and indications for which a product is deemed to be safe and effective by FDA, and our ability to promote any products will be narrowly limited to those indications that are specifically approved by the FDA. Similar restrictions apply in other countries. In the EU, applicable laws require that promotional materials and advertising in relation to medicinal products comply with the product's Summary of Product Characteristics (SmPC) which may require approval by the competent national authorities in connection with an marketing authorization. The SmPC is the document that provides information to physicians concerning the safe and effective use of the product. Promotional activity that does not comply with the SmPC is considered off-label and is prohibited in the EU. If we are found to have promoted such off-label uses, we may become subject to significant liability. In addition, if we do not conduct head-to-head comparative clinical trials for our product candidates, we will be unable to make comparative claims regarding any other products in the promotional materials for our product candidates. If we promote our products, if approved, in a manner inconsistent with FDA-approved labeling, or the label approved by another comparable foreign regulatory authority, or otherwise not in compliance with FDA regulations or comparable foreign rules, we may be subject to enforcement action. The U.S. federal government has levied large civil and criminal fines against companies for alleged improper promotion of off-label use and has enjoined several companies from engaging in off-label promotion. The FDA has also requested that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed.

Subsequent discovery of previously unknown problems with a product, including AEs of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure by us, our contract manufacturers or service providers, or collaborators to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of the product, withdrawal of the product from the market or voluntary or mandatory product recalls;
- restrictions on product distribution or use, or requirements to conduct post-marketing studies or clinical trials;
- operating restrictions;
- fines, warning or untitled letters or holds on clinical trials;
- refusal by the FDA or comparable foreign regulatory authorities to approve, or delays in the approval of, pending applications or supplements to approved applications;
- suspension, variation or revocation of product approvals;

- product seizure or detention or refusal to permit the import or export of products; and
- injunctions or the imposition of civil or criminal penalties.

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

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

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

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

For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (collectively, the ACA) was enacted in the United States, which made a number of substantial changes in the way healthcare is financed by both governmental and private insurers. The ACA included a number of provisions that may reduce the profitability of drug products, including provisions intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for health care and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. For example, the American Taxpayer Relief Act of 2021, effective January 1, 2024, eliminated the statutory cap on rebate amounts owed by drug manufacturers under the Medicaid Drug Rebate Program, which was previously capped at 100% of the Average Manufacturer Price (AMP) for a covered outpatient drug.

Further, there has been heightened governmental scrutiny in the United States of pharmaceutical pricing practices in light of the rising cost of prescription drugs. Healthcare reform initiatives recently culminated in the enactment of the IRA in August 2022, which, among other things, allows the Department of Health and Human Services (HHS) to directly negotiate the selling price of a statutorily specified number of drugs and biologics each year that the Centers for Medicare & Medicaid Services (CMS) reimburses under Medicare Part B and Part D. Only high-expenditure single-source drugs that have been approved for at least 7 years for single-source drugs (11 years for biologics) are eligible to be selected by CMS for negotiation, with the negotiated price taking effect two years after the selection year. Negotiations for Medicare Part D products take place in 2024 with the negotiated price taking effect in 2026, and negotiations for Medicare Part B products will begin in 2026 with the negotiated price taking effect in 2028. In August 2023, HHS announced the ten Medicare Part D drugs and biologics that it selected for negotiations. HHS will announce the negotiated maximum fair prices by September 1, 2024, and this price cap, which cannot exceed a statutory ceiling price, will go into effect on January 1, 2026. A drug or biological product that has an orphan drug designation for only one rare disease or condition will be excluded from the IRA's price negotiation requirements, but will lose that exclusion if it receives designations for more than one rare disease or condition, or if is approved for an indication that is not within that single designated rare disease or condition, unless such additional designation or such disqualifying approvals are withdrawn by the time CMS evaluates the drug for selection for negotiation.

The negotiated prices will represent a significant discount from average prices to wholesalers and direct purchasers. The law also imposes rebates on Medicare Part D and Part B drugs whose prices have increased at a rate greater than the rate of inflation. The IRA also extends enhanced subsidies for individuals purchasing health insurance coverage in ACA marketplaces through plan year 2025. The IRA permits the Secretary of HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years. Manufacturers that fail to comply with the IRA may be subject to various penalties, including civil monetary penalties. These provisions may be subject to legal challenges. For example, the provisions related to the negotiation of selling prices of high-expenditure single-source drugs and biologics have been challenged in multiple lawsuits brought by pharmaceutical manufacturers. Thus, while it is unclear how the IRA will be implemented, it will likely have a significant impact on the pharmaceutical industry.

At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, restrictions on certain product access, reporting on price increases and the introduction of high-cost drugs. In some states, laws have been enacted to encourage importation of lower cost drugs from other countries and bulk purchasing. For example, the FDA released a final rule in September 2020 providing guidance for states to build and submit plans for importing drugs from Canada, and FDA authorized the first such plan in Florida in January 2024. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. This could reduce the ultimate demand for our drug products that we successfully commercialize or put pressure on our product pricing.

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

Moreover, in order to obtain reimbursement for our products in some European countries, including some EU member states, we may be required to compile additional data comparing the cost-effectiveness of our products to other available therapies. This of medicinal products is becoming an increasingly common part of the pricing and reimbursement procedures in some EU member states, including those representing the larger markets. The HTA process is the procedure to assess therapeutic, economic and societal impact of a given medicinal product in the national healthcare systems of the individual country. The outcome of an HTA will often influence the pricing and reimbursement status granted to these medicinal products by the competent authorities of individual EU member states. The extent to which pricing and reimbursement decisions are influenced by the HTA of the specific medicinal product currently varies between EU member states. In December 2021, Regulation No 2021/2282 on HTA amending Directive 2011/24/EU, was adopted in the EU. While the Regulation entered into force in January 2022, it will only begin to apply from January 2025 onwards, with preparatory and implementation-related steps to take place in the interim. Once applicable, it will have a phased implementation depending on the concerned products. The Regulation intends to boost cooperation among EU member states in assessing health technologies, including new medicinal products, and provide the basis for cooperation at EU level for joint clinical assessments in these areas. It will permit EU member states to use common HTA tools, methodologies, and procedures across the EU, working together in four main areas, including joint clinical assessment of the innovative health technologies with the most potential impact for patients, joint scientific consultations whereby developers can seek advice from HTA authorities, identification of emerging health technologies to identify promising technologies early, and continuing voluntary cooperation in other areas. Individual EU member states will continue to be responsible for assessing non-clinical (e.g., economic, social, ethical) aspects of health technologies, and making decisions on pricing and reimbursement. If we are unable to maintain favorable pricing and reimbursement status in EU member states for product candidates that we may successfully develop and for which we may obtain regulatory approval, any anticipated revenue from and growth prospects for those products in the EU could be negatively affected.

Our operations and relationships with healthcare providers, healthcare organizations, customers and third-party payors will be subject to applicable anti-bribery, anti-kickback, fraud and abuse, transparency and other healthcare laws and regulations, which could expose us to, among other things, enforcement actions, criminal sanctions, civil penalties, contractual damages, reputational harm, administrative burdens and diminished profits and future earnings.

Our future arrangements with healthcare providers, healthcare organizations, third-party payors and customers will expose us to broadly applicable anti-bribery, fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we research, market, sell and distribute our product candidates, if approved. Restrictions under applicable federal, state and foreign anti-bribery and healthcare laws and regulations, include the following:

- the federal Anti-Kickback Statute, which prohibits, among other things, individuals and entities from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made, in whole or in part, under a federal and state healthcare program such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- the federal criminal and civil false claims laws, including the federal False Claims Act, which can be enforced through civil whistleblower or qui tam actions against individuals or entities, and the Federal Civil Monetary Penalties Laws, which prohibit, among other things, knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent, knowingly making, using or causing to be made or used, a false record or statement material to a false or fraudulent claim, or from knowingly making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. In addition, certain marketing practices, including off-label promotion, may also violate false claims laws. Moreover, the government may assert that a claim including items and 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;
- Health Insurance Portability and Accountability Act (HIPAA), which imposes criminal and civil liability, prohibits, among other things, knowingly and willfully executing, or attempting to execute a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services; similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- the federal legislation commonly referred to as the Physician Payments Sunshine Act, enacted as part of the ACA, and its implementing regulations, which requires certain manufacturers of covered drugs, devices, biologics and medical supplies that are reimbursable under Medicare, Medicaid, or the Children's Health Insurance Program, with certain exceptions, to report annually to CMS information on certain payments and other transfers of value to clinicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), teaching hospitals, and certain other health care providers (such as physician assistants and nurse practitioners), as well as ownership and investment interests held by the clinicians described above and their immediate family members;
- the U.S. Foreign Corrupt Practices Act of 1977, as amended, which prohibits, among other things, U.S. companies and their employees and agents from authorizing, promising, offering, or providing, directly or indirectly, corrupt or improper payments or anything else of value to foreign government officials, employees of public international organizations and foreign government owned or affiliated entities, candidates for foreign political office, and foreign political parties or officials thereof;
- analogous state and foreign laws and regulations, such as state and foreign anti-kickback and false claims laws, that may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; and
- certain state and foreign laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance

promulgated by the government in addition to requiring drug manufacturers to report information related to payments to clinicians and other healthcare providers or marketing expenditures and drug pricing information, and state and local laws that require the registration of pharmaceutical sales representatives.

In the EU, interactions between pharmaceutical companies and healthcare professionals and healthcare organizations are governed by strict laws, regulations, industry self-regulation codes of conduct and physicians' codes of professional conduct both at EU level and in the individual EU member states. The provision of benefits or advantages to physicians to induce or encourage the prescription, recommendation, endorsement, purchase, supply, order or use of pharmaceutical products is prohibited in the EU. Relationships with healthcare professionals and associations are subject to stringent anti-gift statutes and anti-bribery laws, the scope of which differs across the EU. In addition, national transparency and reporting rules may require pharmaceutical companies to report/publish transfers of value provided to healthcare professionals and associations on a regular (e.g. annual) basis.

If we or our future collaborators, manufacturers or service providers fail to comply with applicable federal, state or foreign laws or regulations, we could be subject to enforcement actions, which could affect our ability to develop, market and sell our product candidates successfully and could harm our reputation and lead to reduced acceptance of our products, if approved by the market.

Efforts to ensure that our current and future business arrangements with third parties comply with applicable healthcare laws and regulations could involve substantial costs. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations, agency guidance 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 such requirements, we may be subject to significant penalties, including civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, the curtailment or restructuring of our operations, loss of eligibility to obtain approvals from the FDA or comparable foreign regulatory authorities, exclusion from participation in government contracting, healthcare reimbursement or other government programs, including Medicare and Medicaid or comparable foreign programs, integrity oversight and reporting obligations, or reputational harm, any of which could adversely affect our financial results. These risks cannot be entirely eliminated. Any action against us for an alleged or suspected violation could cause us to incur significant legal expenses and could divert our management's attention from the operation of our business, even if our defense is successful. In addition, achieving and sustaining compliance with applicable laws and regulations may be costly to us in terms of money, time and resources.

Governments outside the United States tend to impose strict price controls, which may adversely affect our revenue, if any.

In some countries, particularly in the European Union, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of regulatory approval for a drug. To obtain coverage and reimbursement or pricing approval in some countries, we may be required to conduct a study that compares the cost-effectiveness of our product candidate to other available therapies. In addition, many countries outside the United States have limited government support programs that provide for reimbursement of drugs such as our product candidates, with an emphasis on private payors for access to commercial products. If reimbursement of our products, if approved is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be materially harmed.

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

In the ordinary course of business, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, process or processing) personal data and other sensitive information, including proprietary and confidential business data, trade secrets, employee

data, intellectual property, data we collect about trial participants in connection with clinical trials, and other sensitive third-party data (collectively, sensitive data). 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.

Various federal, state, local and foreign legislative and regulatory bodies, or self-regulatory organizations, may expand current laws, rules or regulations, enact new laws, rules or regulations or issue revised rules or guidance regarding data privacy and security. Implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future, and we cannot yet determine the impact future laws, regulations, standards, or perception of their requirements may have on our business.

In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal information privacy laws, and consumer protection laws. For example, HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 and their respective implementing regulations (collectively, HIPAA) imposes specific requirements relating to the privacy, security, and transmission of individually identifiable health information. We may obtain health information from third parties (including research institutions from which we obtain clinical trial data) that are subject to privacy and security requirements under HIPAA. Depending on the facts and circumstances, we could be subject to significant penalties if we violate HIPAA.

Additionally, the California Consumer Privacy Act (CCPA) applies to personal information of California consumers, business representatives, and employees, and among other things requires regulated businesses to provide specific disclosures in privacy notices and honor requests of California residents to exercise certain privacy rights, including the right to opt out of certain disclosures of their information. The CCPA provides for civil penalties as well as a private right of action with statutory damages for certain data breaches, thereby potentially increasing risks associated with a data breach. The CCPA does not currently apply to us because we do not generate the requisite annual revenue, but it may apply to us in the future. In addition, although the CCPA includes limited exceptions, including for certain information collected as part of clinical trials, the CCPA may impact our processing of personal information and increases our compliance costs depending on how it is interpreted. Additionally, amendments to the CCPA expanded the CCPA's requirements, including by granting additional rights to California residents, such as the right to correct personal information and additional opt-out rights, and establishing a regulatory authority dedicated to enforcing the CCPA. Other states, such as Virginia, Connecticut, Utah and Colorado, have also passed comprehensive privacy laws, and similar laws are being considered or have been enacted in several other states, as well as at the federal and local levels. While U.S. state privacy laws, like the CCPA, may also exempt some data processed in the context of clinical trials, these developments further complicate compliance efforts, and increase legal risk and compliance costs for us and the third parties upon whom we rely. In addition to government activity, privacy advocacy groups and technology and other industries are considering various new, additional or different self-regulatory standards that may place additional burdens on us.

There are also various laws, regulations and industry standards in other jurisdictions outside the United States relating to data privacy and security, with which we may need to comply. For example, the European Union's General Data Protection Regulation (EU GDPR) and the United Kingdom's equivalent (UK GDPR), collectively, GDPR, impose strict requirements for processing personal data. Notably, under the GDPR, companies may face temporary or definitive bans on data processing and other corrective actions; fines of up to €20 million under the EU GDPR / £17.5 million under the UK GDPR, or, in each case, 4% of the annual global revenue of the noncompliant undertaking, whichever is greater. The GDPR also provides for 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. Additionally, EU member states may introduce further conditions, including limitations, and make their own laws and regulations further limiting the processing of "special categories of personal data", including personal data related to health, biometric data used for unique identification purposes and genetic information, which could limit our ability to process such special categories of personal data, and could cause our compliance costs to increase, ultimately adversely affecting our business, financial condition, results of operations and prospects.

In addition, we may be unable to transfer personal data from Europe and other jurisdictions to the United States or other countries due to data localization requirements or limitations on cross-border data flows.

Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the EEA and the UK have significantly restricted the transfer of personal data to the United States and other countries whose privacy laws it generally believes are inadequate. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and UK to the United States in compliance with law, such as the EEA standard contractual clauses, the UK's International Data Transfer Agreement / Addendum, the EU-US Data Privacy Framework, and the UK extension thereto (which allows for transfers to relevant U.S.-based organizations who self-certify compliance and participate in the Framework), these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States.

Other jurisdictions may adopt similarly stringent interpretations of their data localization and cross-border data transfer laws. If there is no lawful manner for us to transfer personal data from the EEA, the UK or other jurisdictions to the United States, or if the requirements for a legally-compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. Additionally, companies that transfer personal data out of the EEA and UK to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigants, and activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers out of Europe for allegedly violating the GDPR's cross-border data transfer limitations.

In addition to data privacy and security laws, we are also bound by other contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful.

Each of these laws, rules, regulations and contractual obligations relating to data privacy and security, and any other such changes or new laws, rules, regulations or contractual obligations could impose significant limitations, require changes to our business, or restrict our collection, use, storage or processing of personal information, which may increase our compliance expenses and make our business more costly or less efficient to conduct. In addition, any such changes could compromise our ability to develop an adequate marketing strategy and pursue our growth strategy effectively or even prevent us from providing certain products in jurisdictions in which we currently operate and in which we may operate in the future or incur potential liability in an effort to comply with such legislation, which, in turn, could adversely affect our business, financial condition, results of operations and prospects. Complying with these numerous, complex and often changing regulations is expensive and difficult, and failure to comply with any data privacy or security laws, whether by us, one of our CROs, CMOs or another third party, could adversely affect our business, financial condition, results of operations and prospects, including but not limited to: regulatory investigation costs; material fines and penalties; compensatory, special, punitive and statutory damages; litigation (including class claims); consent orders regarding our data privacy and security practices; requirements that we provide notices, bans on processing personal data (including clinical trial data), orders to destroy or not use personal data, credit monitoring services and/or credit restoration services or other relevant services to impacted individuals in the event of an information security incident impacting personal information; adverse actions against our licenses to do business; reputational damage; and injunctive relief. The implementation of the GDPR have increased our responsibility and liability in relation to sensitive data that we process, including in clinical trials, and we may be required to put in place additional mechanisms to comply with the GDPR and other applicable laws and regulations, which could divert management's attention and increase our cost of doing business. In addition, new regulation or legislative actions regarding data privacy and security (together with applicable industry standards) may increase our costs of doing business. In this regard, we expect that there will continue to be new proposed laws, regulations and industry standards relating to privacy and data protection in the United States, the EEA, the UK and other jurisdictions, and we cannot determine the impact such future laws, regulations and standards may have on our business.

We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Any actual or perceived failure by us or our third-party service providers to comply with any federal, state or foreign laws, rules, regulations, industry self-regulatory principles, industry standards or codes

of conduct, regulatory guidance, orders to which we may be subject or other legal obligations relating to privacy, data protection, data security or consumer protection could adversely affect our reputation, brand and business. We may also be contractually required to indemnify and hold harmless third parties from the costs or consequences of non-compliance with any laws, rules and regulations or other legal obligations relating to privacy or any inadvertent or unauthorized use or disclosure, or other compromise of data that we store or handle as part of operating our business. Any of these events could adversely affect our reputation, business, or financial condition, including but not limited to: interruptions or stoppages in our business operations (including clinical trials and the development of product candidates); inability to process personal information 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.

We cannot assure you that our CROs, CMOs or other third-party service providers with access to our or our suppliers', manufacturers', trial participants', employees' and others' sensitive data in relation to which we are responsible will not breach contractual obligations imposed by us, or that they will not experience data security incidents, which could have a corresponding effect on our business, including putting us in breach of our obligations including under privacy laws and regulations and/or which could in turn adversely affect our business, financial condition, results of operations and prospects. We cannot assure you that our contractual measures and our own privacy and security-related safeguards will protect us from the risks associated with the third-party processing of such information. Any of the foregoing could adversely affect our business, financial condition, results of operations and prospects.

We also publicly post our privacy policies and practices concerning our collection, use, disclosure and other processing of the personal information provided to us or that we collect. Although we endeavor to comply with our public statements and documentation, we may at times fail to do so or be perceived to have failed to do so. Our publication of our privacy policies and other statements we publish that provide promises and assurances about data privacy and security can subject us to potential claims if they are found to be deceptive, unfair or misrepresentative of our actual practices. Any actual or perceived failure by us to comply with federal, state or foreign laws, rules or regulations, industry standards, contractual or other legal obligations, or any actual, perceived or suspected cybersecurity incident, whether or not resulting in unauthorized access to, or acquisition, release, transfer or other compromise of personal information or other sensitive data, may result in enforcement actions and prosecutions, private litigation (including class claims), significant fines, penalties (including bans on processing personal data or orders to destroy or not use personal data) and censure, claims for damages by affected individuals, regulatory inquiries and investigations or adverse publicity and could cause reputational harm, any of which could adversely affect our business, financial condition, results of operations and prospects.

The successful assertion of one or more large data privacy or security claims against us that exceeds our available insurance coverage, or results in changes to our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on our business. In addition, we cannot be sure that our existing insurance coverage will continue to be available on acceptable terms or that our insurers will not deny coverage as to any future claim.

Risks Related to Our Reliance on Third Parties

We may have conflicts with any future licensors or collaborators that could delay or prevent the development or commercialization of our product candidates.

We may enter into strategic transactions in the future, and we may have conflicts with any potential licensors or collaborators, such as conflicts concerning the interpretation of preclinical or clinical data, the achievement of milestones, the interpretation of contractual obligations, payments for services, development obligations or the ownership of intellectual property developed during our collaboration. If any conflicts arise with any of our future collaborators, such collaborator may act in a manner that is adverse to our best interests. Any such disagreement could result in one or more of the following, each of which could delay or prevent the development or commercialization of our product candidates, and in turn prevent us from generating revenue: disputes regarding milestone payments or royalties; uncertainty regarding ownership of intellectual property rights arising from our collaborative activities, which could prevent us from entering into future additional

collaborations; unwillingness by such collaborator to cooperate in the development or manufacture of a product candidate, including providing us with data or materials; unwillingness on the part of a collaborator to keep us informed regarding the progress of its development and commercialization activities or to permit public disclosure of the results of those activities; initiating of litigation or alternative dispute resolution options by either party to resolve the dispute; or attempts by either party to terminate the agreement.

We have relied and expect to continue to rely on third parties to conduct our preclinical studies and clinical trials. If those third parties do not perform as contractually required, fail to satisfy legal or regulatory requirements, miss expected deadlines or terminate the relationship, our development programs could be delayed, more costly or unsuccessful, and we may never be able to seek or obtain regulatory approval for or commercialize our product candidates.

We rely and intend to rely in the future on third-party clinical investigators, CROs and clinical data management organizations to conduct, supervise and monitor preclinical studies and clinical trials of our current or future product candidates. Because we currently rely and intend to continue to rely on these third parties, we will have less control over the timing, quality and other aspects of preclinical studies and clinical trials than we would have had we conducted them independently. These parties are not, and will not be, our employees and we will have limited control over the amount of time and resources that they dedicate to our programs. Additionally, such parties may have contractual relationships with other entities, some of which may be our competitors, which may draw time and resources from our programs.

We have no experience as a company in submitting and supporting the applications necessary to gain regulatory approvals. Securing regulatory approval requires the submission of extensive preclinical and clinical data and supporting information to regulatory authorities for each indication to establish the product candidate's safety or efficacy for that indication. Securing regulatory approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities and clinical trial sites by, applicable regulatory authorities.

Large-scale clinical trials require significant financial and management resources, and reliance on third-party clinical investigators, CROs, partners or consultants. Relying on third-party clinical investigators or CROs may force us to encounter delays and challenges that are outside of our control. We may not be able to demonstrate sufficient comparability between products manufactured at different facilities to allow for inclusion of the clinical results from participants treated with products from these different facilities, in our product registrations. Further, our third-party clinical manufacturers may not be able to manufacture our product candidates or otherwise fulfill their obligations to us because of interruptions to their business, including the loss of their key staff or interruptions to their raw material supply.

Our reliance on these third parties for development activities will reduce our control over these activities. Nevertheless, we are responsible for ensuring that each of our clinical trials is conducted in accordance with the applicable trial protocol and legal, regulatory and scientific standards, and our reliance on the CROs, clinical trial sites, and other third parties does not relieve us of these responsibilities. For example, we will remain responsible for ensuring that each of our preclinical studies are conducted in accordance with good laboratory practices, where applicable, and clinical trials are conducted in accordance with GCPs and applicable rules. Moreover, the FDA and comparable foreign regulatory authorities require us to comply with GCP 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. Regulatory authorities enforce these requirements through periodic inspections (including through inspections that may be conducted once we submit an NDA to the FDA) of trial sponsors, clinical investigators, trial sites and certain third parties including CROs. If we, our CROs, clinical trial sites, or other third parties fail to comply with applicable GCP or other regulatory requirements, we or they may be subject to enforcement or other legal actions, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials. We cannot assure you that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical trials comply with GCP regulations. Moreover, our business may be significantly impacted if our CROs, clinical investigators or other third parties violate federal or state healthcare fraud and abuse or false claims laws and regulations or healthcare privacy and security laws, and foreign equivalents.

In the event we need to repeat, extend, delay or terminate our clinical trials because these third parties do not successfully carry out their contractual duties, meet expected deadlines or conduct our clinical trials in accordance with regulatory requirements or our stated protocols, our clinical trials may need to be repeated, extended, delayed or terminated and we may not be able to obtain, or may be delayed in obtaining, regulatory approvals for our product candidates, and we will not be able to, or may be delayed in our efforts to, successfully commercialize our product candidates or we or they may be subject to regulatory enforcement actions. As a result, our results of operations and the commercial prospects for our product candidates would be harmed, our costs could increase and our ability to generate revenue could be delayed. To the extent we are unable to successfully identify and manage the performance of third-party service providers in the future, our business may be materially and adversely affected.

If any of our relationships with these third parties terminate, we may not be able to enter into alternative arrangements or do so on commercially reasonable terms. Switching or adding additional contractors involves additional cost and time and requires management time and focus. In addition, there is a natural transition period when a new third party commences work. As a result, delays could occur, which could compromise our ability to meet our desired development timelines. In addition, if an agreement with any of our future collaborators terminates, our access to technology and intellectual property licensed to us by that collaborator may be restricted or terminate entirely, which may delay our continued development of our product candidates utilizing the collaborator's technology or intellectual property or require us to stop development of those product candidates completely.

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 or comparable foreign regulatory authorities. The FDA or comparable foreign regulatory authorities may conclude that a financial relationship between us and/or a principal investigator has created a conflict of interest or otherwise affected interpretation of the study. The FDA or comparable foreign regulatory authorities may therefore question the integrity of the data generated at the applicable clinical trial site and the utility of the clinical trial itself may be jeopardized. This could result in a delay in approval, or rejection, of our marketing applications by the FDA or comparable foreign regulatory authorities and may ultimately lead to the denial of regulatory approval of one or more of our product candidates.

We rely on third-party manufacturers and suppliers to supply our product candidates. The loss of our third-party manufacturers or suppliers, or their failure to comply with applicable regulatory requirements or to supply sufficient quantities at acceptable quality levels or prices, within acceptable timeframes, or at all, would materially and adversely affect our business.

We do not own or operate, and currently have no plans to establish, any manufacturing facilities for drug manufacturing, storage, distribution or quality testing. We currently rely, and expect to continue to rely, on third parties for the manufacture of active pharmaceutical ingredients (API), bulk drug substances, raw materials, samples, components and other materials for our product candidates for clinical testing, as well as for the manufacture of any products candidates that we commercialize, if approved. Reliance on third-party manufacturers may expose us to different risks than if we were to manufacture product candidates ourselves. There can be no assurance that our preclinical and clinical development product supplies will not be limited, interrupted, terminated or will be of satisfactory quality or be available at acceptable prices. In addition, any replacement of our manufacturer could require significant effort and time because there may be a limited number of qualified replacements.

We obtain our preclinical and clinical supplies from our manufacturers on a purchase order basis, and currently do not have long-term supply arrangements in place. The manufacturing process for our product candidates is subject to the FDA and foreign regulatory authority review. We, and our suppliers and manufacturers, must meet applicable manufacturing requirements and undergo rigorous facility and process validation tests required by regulatory authorities in order to comply with regulatory standards, such as cGMPs. If our CMOs cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or comparable foreign regulatory authorities, we may not be able to rely on their facilities for the manufacture of elements of our product candidates. Securing regulatory approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing

facilities by, the FDA, and comparable foreign regulatory authorities. If the FDA or any comparable foreign regulatory authority determines that our third-party manufacturers' facilities are not in compliance with applicable laws and regulations, including those governing cGMPs, they may deny any NDA or marketing application we submit until the deficiencies are corrected or we replace the manufacturer in our application with a manufacturer that is able to demonstrate a compliance status acceptable to the FDA or foreign regulatory authority. Moreover, we are dependent on our CMOs for manufacturing in compliance with cGMPs and other regulatory requirements. In the event that any of our manufacturers fails to comply with such requirements or to perform its obligations in relation to quality, timing or otherwise, or if our projected manufacturing capacity or supply of materials becomes limited, interrupted, or more costly than anticipated, we may be forced to enter into an agreement with another third party, which we may not be able to do timely or on reasonable terms, if at all. In some cases, the technical skills or technology required to manufacture our product candidates may be unique or proprietary to the original manufacturer and we may have difficulty transferring such to another third party. These factors would increase our reliance on such manufacturer or require us to obtain a license from such manufacturer in order to enable us, or to have another third party, manufacture our product candidates. We will be required to verify that the new manufacturer maintains facilities and procedures that comply with applicable quality standards and regulations and guidelines; and we may be required to repeat some of the development program. If we are required to change manufacturers, the delays and costs associated with the verification of a new manufacturer, whether due to failure to comply with regulatory requirements, or quality, timing and supply issues, or other reason, could negatively affect our ability to develop product candidates in a timely manner or within budget.

For example, as part of our process development efforts, we also may make changes to the manufacturing processes at various points during development, for various reasons, such as controlling costs, achieving scale, decreasing processing time, improving product formulations, increasing manufacturing success rate or other reasons. For example, we plan to implement certain manufacturing process changes for ESK-001 to increase scalability with respect to our planned Phase 3 clinical trials. Such changes carry the risk that they will not achieve their intended objectives, and any of these changes could cause our current or future product candidates to perform differently and affect the results of our future clinical trials. In some circumstances, changes in the manufacturing process may require us to perform *ex vivo* comparability studies or clinical bridging studies, and we may be required to collect additional data from participants prior to undertaking more advanced clinical trials. For instance, changes in our process during the course of clinical development may require us to show the comparability of the product used in earlier clinical phases or at earlier portions of a trial to the product used in later clinical phases or later portions of the trial.

We expect to continue to rely on third-party manufacturers if we receive regulatory approval for any product candidate. To the extent that we enter into future long-term manufacturing arrangements with third parties, we will depend on these third parties to perform their obligations in a timely manner consistent with contractual and regulatory requirements, including those related to quality control and assurance. Any manufacturing facilities used to produce our product candidates will be subject to periodic review and inspection by the FDA and comparable foreign regulatory authorities, including for continued compliance with cGMP requirements, quality control, quality assurance and corresponding maintenance of records and documents. If we are unable to obtain or maintain third-party manufacturing for product candidates, or to do so on commercially reasonable terms, we may not be able to develop and commercialize our product candidates successfully. Our or a third party's failure to execute on our manufacturing requirements, comply with cGMPs or maintain a compliance status acceptable to the FDA or comparable foreign regulatory authorities could adversely affect our business in a number of ways, including:

- an inability to initiate or continue preclinical studies or clinical trials of product candidates;
- delay in submitting regulatory applications, or receiving regulatory approvals, for product candidates;
- loss of the cooperation of future collaborators;
- sanctions being imposed on us, including shutdown of the third-party vendor or invalidation of drug product lots or processes, fines, injunctions, civil penalties, delays, suspension, variation or withdrawal of approvals, license revocation, seizures of product candidates or drugs, operating restrictions and criminal prosecutions;
- requirements to cease distribution or to recall batches of our product candidates; and

- in the event of approval to market and commercialize a product candidate, an inability to meet commercial demands for our products.

Additionally, our CMOs may experience difficulties due to resource constraints or as a result of labor disputes or unstable political environments. If our CMOs were to encounter any of these difficulties, our ability to provide our product candidates to participants in preclinical and clinical trials, or to provide product for treatment of participants once approved, would be jeopardized.

We depend on limited source suppliers for certain raw materials used in our product candidates. If we are unable to source these supplies on a timely basis or establish redundancy in our manufacturing process or longer-term contracts with our CMOs, we will not be able to complete our clinical trials on time and the development of our product candidates may be delayed.

Certain of the raw materials necessary to produce ESK-001 and A-005 are in limited supply, and we generally rely on one CMO for each manufacturing stage. While we intend to identify and qualify additional suppliers and redundant manufacturers provide the API, drug product and critical raw material prior to submission of an NDA to the FDA and/or a comparable marketing application outside the United States, there can be no assurance that we will be successful in doing so. Furthermore, any of the limited source suppliers upon whom we rely could stop producing our supplies, cease operations or be acquired by, or enter into exclusive arrangements with, our competitors. Establishing redundancy in CMOs and additional or replacement suppliers for these supplies, and obtaining regulatory authorizations that may result from adding or replacing CMOs and suppliers, could take a substantial amount of time, result in increased costs and impair our ability to produce our products, which would adversely impact our business, financial condition, results of operations and prospects. Any such interruption or delay may force us to seek similar supplies from alternative sources, which may not be available at reasonable prices, or at all. Any interruption in the supply of limited source components for our product candidates would adversely affect our ability to meet scheduled timelines and budget for the development and commercialization of our product candidates, could result in higher expenses and would harm our business. Although we have not experienced any significant disruption as a result of our reliance on limited source suppliers, we have a limited operating history and cannot assure you that we will not experience disruptions in our supply chain in the future as a result of such reliance or otherwise.

In addition, we do not currently have long-term supply contracts with our CMOs, and they are not obligated to supply drug products to us for any period, in any specified quantity or at any certain price beyond the delivery contemplated by the relevant purchase orders. As a result, our suppliers could stop selling to us at commercially reasonable prices, or at all. While we intend to enter into long-term master supply agreements with certain of our CMOs prior to any potential NDA submission, we may not be successful in negotiating such agreements on favorable terms or at all. If we do enter into such long-term master supply agreements, or enter into such agreements on less favorable terms than we currently have with such manufacturers, we could be subject to binding long-term purchase obligations that may be harmful to our business, including in the event that we do not conduct our trials on planned timelines or utilize the drug products that we are required to purchase. Any change in our relationships with our CMOs or changes to the contractual terms of our agreements with them could adversely affect our business, financial condition, results of operations and prospects.

The operations of our suppliers, most of which are located outside of the United States, are subject to additional risks that are beyond our control and that could harm our business, financial condition, results of operations and prospects.

Currently, most of our suppliers are located outside of the United States. As a result of our global suppliers, we are subject to risks associated with doing business abroad, including:

- political unrest, terrorism, labor disputes, and economic instability resulting in the disruption of trade from foreign countries in which our products are manufactured;
- the imposition of new laws and regulations, including those relating to labor conditions, quality, and safety standards, imports, duties, taxes, and other charges on imports, as well as trade restrictions and restrictions on currency exchange or the transfer of funds, particularly new or increased tariffs imposed on imports from countries where our suppliers operate;

- greater challenges and increased costs with enforcing and periodically auditing or reviewing our suppliers' and manufacturers' compliance with cGMPs or status acceptable to the FDA or comparable foreign regulatory authorities;
- reduced protection for intellectual property rights, including trademark protection, in some countries particularly China;
- disruptions in operations due to global, regional, or local public health crises or other emergencies or natural disasters, including, for example, disruptions experienced during the COVID-19 pandemic;
- disruptions or delays in shipments; and
- changes in local economic conditions in countries where our manufacturers or suppliers are located.

These and other factors beyond our control could interrupt our suppliers' production, influence the ability of our suppliers to export our clinical supplies cost-effectively or at all, and inhibit our suppliers' ability to procure certain materials, any of which could harm our business, financial condition, results of operations and prospects.

Risks Related to this Offering and Ownership of Our Common Stock

As a result of our history of losses and negative cash flows from operations, our consolidated financial statements contain a statement regarding a substantial doubt about our ability to continue as a going concern.

A history of operating losses and negative cash flows from operations combined with our anticipated use of cash to fund operations raises substantial doubt about our ability to continue as a going concern beyond the 12-month period from the date when our unaudited interim condensed consolidated financial statements for the three months ended March 31, 2024 are available to be issued. Our future viability as an ongoing business is dependent on our ability to generate cash from our operating activities or to raise additional capital to finance our operations.

If we are unable to raise additional capital as and when needed, our business, financial condition and results of operations will be materially and adversely affected, and we may be forced to delay our development efforts, limit our activities and reduce research and development costs. If we are unable to continue as a going concern, we may have to liquidate our assets, and the values we receive for our assets in liquidation or dissolution could be significantly lower than the values reflected in our financial statements. The inclusion of a going concern explanatory paragraph by our independent registered public accounting firm, our lack of cash resources and our potential inability to continue as a going concern may materially adversely affect our share price and our ability to raise new capital, enter into licensing and collaboration arrangements or other contractual relationships with third parties and otherwise execute our development strategy.

An active and liquid trading market for our common stock may not develop and you may not be able to resell your shares of common stock at or above the public offering price, if at all.

Prior to this offering, no market for shares of our common stock existed. We intend to apply to list our common stock on Nasdaq under the symbol "ALMS." Assuming that our common stock is listed and after the consummation of this offering, an active or liquid trading market for our common stock may never develop or be sustained following this offering. To the extent certain of our existing stockholders and their affiliated entities participate in this offering, such purchases would reduce the non-affiliated public float of our shares, meaning the number of shares of our common stock that are not held by officers, directors and affiliated stockholders. A reduction in the public float could reduce the number of shares that are available to be traded at any given time, thereby adversely impacting the liquidity of our common stock and depressing the price at which you may be able to sell your shares. Moreover, the initial public offering price for our common stock will be determined through negotiations with the underwriters and may vary from the market price of our common stock following this offering. As a result of these and other factors, you may be unable to resell your shares of our common stock at or above the initial public offering price, at the time you wish to sell them, or at a price that you consider reasonable. The lack of an active market may also reduce the fair market value of your shares. Furthermore, an inactive market may also impair our ability to raise capital by selling shares of our

common stock in the future and may impair our ability to enter into strategic collaborations or acquire companies or products by using our shares of common stock as consideration.

Our quarterly and annual operating results may fluctuate significantly or may fall below the expectations of investors or securities analysts or any guidance we may publicly provide, each of which may cause our stock price to fluctuate or decline.

We expect our operating results to be subject to quarterly and annual fluctuations which may, in turn, cause the price of our common stock to fluctuate substantially. Our net loss and other operating results will be affected by numerous factors, including:

- variations in the level of expense related to the ongoing development of our most advanced product candidate ESK-001, A-005 and other development programs;
- results and timing of preclinical studies and ongoing and future clinical trials, or the addition or termination of any such clinical trials;
- the timing of payments we may make or receive under future license and future collaboration arrangements or the termination or modification thereof;
- our execution of any strategic transactions, including acquisitions, collaborations, licenses or similar arrangements, and the timing and amount of payments we may make or receive in connection with such transactions;
- any intellectual property infringement lawsuit or opposition, interference or cancellation proceeding in which we may become involved;
- recruitment and departures of key personnel;
- if our product candidates receive regulatory approval, the terms of such approval and market acceptance and demand for such products;
- regulatory developments affecting our product candidates or those of our competitors;
- fluctuations in stock-based compensation expense;
- the impacts of inflation and rising interest rates on our business and operations; and
- changes in general market and economic conditions.

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

Our stock price may be volatile, which could result in substantial losses for investors purchasing shares in this offering.

The market price of our common stock is likely to be volatile and could fluctuate widely in response to many factors, including but not limited to:

- volatility and instability in the financial and capital markets;
- announcements relating to our product candidates, including the results of clinical trials by us or any future collaborators;
- announcements by competitors that impact our competitive outlook;
- negative developments with respect to our product candidates, or similar products or product candidates with which we compete;
- developments with respect to patents or intellectual property rights;
- announcements of technological innovations, new product candidates, new products or new contracts by us or our competitors;

- announcements relating to strategic transactions, including acquisitions, collaborations, licenses or similar arrangements;
- actual or anticipated variations in our operating results due to the level of development expenses and other factors;
- changes in financial estimates by equities research analysts and whether our earnings (or losses) meet or exceed such estimates;
- announcement or expectation of additional financing efforts and receipt, or lack of receipt, of funding in support of conducting our business;
- sales of our common stock by us, our insiders, or other stockholders, or issuances by us of shares of our common stock in connection with strategic transactions;
- expiration of market standoff or lock-up agreements described in the section titled "Underwriting;"
- conditions and trends in the pharmaceutical, biotechnology and other industries;
- regulatory developments within, and outside of, the United States, including changes in the structure of health care payment systems;
- litigation or arbitration;
- COVID-19 or other pandemics, natural disasters, or major catastrophic events;
- general economic, political and market conditions and other factors; and
- the occurrence of any of the risks described in this section titled "Risk Factors."

In recent years, the stock market in general, and the market for pharmaceutical and biotechnology companies in particular, has experienced significant price and volume fluctuations that have often been unrelated or disproportionate to changes in the operating performance of the companies whose stock is experiencing those price and volume fluctuations. Broad market and industry factors may seriously affect the market price of our common stock, regardless of our actual operating performance. These fluctuations may be even more pronounced in the trading market for our stock shortly following this offering.

You will experience immediate and substantial dilution as a result of this offering and may experience additional dilution in the future.

You will suffer immediate and substantial dilution with respect to the common stock you purchase in this offering. Specifically, assuming an initial public offering price of $ per share, and assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and that the underwriters do not exercise their option to purchase additional shares of common stock in this offering, you will incur immediate dilution of $ per share. That number represents the difference between the assumed initial public offering price of $ per share and our pro forma as adjusted net tangible book value per share as of March 31, 2024, after giving effect to (i) the elimination of the derivative liability related to the second tranche closing of Series C redeemable convertible preferred stock in May 2024, (ii) the issuance of 41,264,892 shares of Series C redeemable convertible preferred stock in May 2024 for approximately $129.3 million in aggregate net proceeds therefrom, (iii) the Preferred Stock Conversion and the Common Stock Reclassification (as if each had occurred as of March 31, 2024) and (iv) the filing and effectiveness of our amended and restated certificate of incorporation to be in effect immediately prior to the closing of this offering.

For a further description of the dilution that you will experience immediately after this offering, see the section titled "Dilution."

Sales of a substantial number of shares of our common stock by our existing stockholders in the public market could cause our stock price to fall.

Sales of a substantial number of shares of our common stock in the public market or the perception that these sales might occur could significantly reduce the market price of our common stock and impair our ability to raise adequate capital through the sale of additional equity securities.

Based on shares of common stock outstanding as of March 31, 2024 (after giving effect to (i) the issuance of 41,264,892 shares of Series C redeemable convertible preferred stock in May 2024 and (ii) the Preferred Stock Conversion and the Common Stock Reclassification (as if each had occurred as of March 31, 2024)), upon the closing of this offering, we will have outstanding a total of shares of common stock and shares of non-voting common stock, assuming no exercise of the underwriters' option to purchase additional shares and no exercise of outstanding options subsequent to such date. Of these shares, only the shares of common stock sold in this offering by us, plus any shares sold upon exercise of the underwriters' option to purchase additional shares, will (unless they are purchased by one of our affiliates) be freely tradable, without restriction, in the public market immediately following this offering.

Our directors and executive officers and holders of substantially all of our outstanding securities have entered into lock-up agreements with the underwriters pursuant to which they may not, with certain exceptions, for a period of 180 days from the date of this prospectus, offer, sell or otherwise transfer or dispose of any of our securities, without the prior written consent of Morgan Stanley & Co. LLC. However, Morgan Stanley & Co. LLC may permit our officers, directors and other security holders who are subject to the lock-up agreements to sell shares prior to the expiration of the lock-up agreements at any time in their sole discretion. See the section titled "Underwriting." Sales of these shares, or perceptions that they will be sold, could cause the trading price of our common stock to decline. After the lock-up agreements expire, an additional shares of common stock will be eligible for sale in the public market, of which shares are held by directors, executive officers and other affiliates and will be subject to volume limitations under Rule 144 under the Securities Act.

In addition, as of March 31, 2024, shares of common stock that are subject to outstanding options under our employee benefit plan will become eligible for sale in the public market after this offering, to the extent permitted by the provisions of various vesting schedules, the lock-up agreements (and the exceptions thereto) and Rule 144 and Rule 701 under the Securities Act. If these additional shares of common stock 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.

After this offering, the holders of shares of our outstanding common stock, or approximately % of our total outstanding common stock and non-voting stock based on shares outstanding as of March 31, 2024, will be entitled to rights with respect to the registration of their shares under the Securities Act, subject to the lock-up agreements described above. See "Description of Capital Stock—Registration Rights." Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act, except for shares held by affiliates, as defined in Rule 144 under the Securities Act. Any sales of securities by these stockholders could adversely affect the trading price of our common stock.

We have broad discretion in how we use the net proceeds of this offering and may not use these proceeds effectively, which could affect our results of operations and cause our stock price to decline.

We will have considerable discretion in the application of the net proceeds of this offering, including for any of the purposes described in the section of this prospectus titled "Use of Proceeds," and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. As a result, investors will be relying upon management's judgment with only limited information about our specific intentions for the use of the balance of the net proceeds of this offering. We may use the net proceeds for purposes that do not yield a significant return or any return at all for our stockholders. In addition, pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value.

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

Based on 181,015,104 shares of our capital stock outstanding as of March 31, 2024, after giving effect to the second tranche closing of Series C redeemable convertible preferred stock in May 2024 and prior to this offering, our executive officers, directors, holders of 5% or more of our capital stock and their respective affiliates beneficially owned approximately % of our voting common stock and % of our non-voting common stock and, upon the completion of this offering, that same group will hold approximately % of

our outstanding voting common stock and % of our outstanding non-voting common stock (assuming no exercise of the underwriters' option to purchase additional shares of common stock, no exercise of outstanding options and no purchases of shares of common stock in this offering. Therefore, even after this offering, these stockholders will have the ability to influence us through this ownership position. The interests of these stockholders may not be the same as or may even conflict with your interests. For example, these stockholders could delay or prevent a change of control of our company, even if such a change of control would benefit our other stockholders, which could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company or our assets and might affect the prevailing market price of our common stock. The significant concentration of stock ownership may adversely affect the trading price of our common stock due to investors' perception that conflicts of interest may exist or arise.

Participation in this offering by our existing stockholders and their affiliated entities may further concentrate control among these existing stockholders, and may reduce the public float for our common stock.

To the extent certain of our existing stockholders and their affiliated entities participate in this offering, such purchases could increase or further concentrate the control and voting power held by our existing stockholders. In addition, such participation would reduce the non-affiliate public float of our shares, meaning the number of shares of our common stock that are not held by officers, directors and principal stockholders. A reduction in the public float could reduce the number of shares that are available to be traded at any given time, thereby adversely impacting the liquidity of our common stock and depressing the price at which you may be able to sell shares of common stock purchased in this offering. If any shares are purchased by our existing stockholders, the number and percentage of shares of our common stock beneficially owned by them after this offering will differ from the amounts set forth in this prospectus.

We are an "emerging growth company" and a "smaller reporting company" and the reduced reporting requirements applicable to emerging growth companies and smaller reporting companies may make our common stock less attractive to investors.

We are an "emerging growth company" as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act. As an emerging growth company, we are only required to provide two years of audited financial statements (in addition to any required unaudited interim financial statements) and correspondingly reduced management discussion and analysis of financial condition and results of operations disclosure. In addition, we are not required to obtain auditor attestation of reporting on internal control over financial reporting, we have reduced disclosure obligations regarding executive compensation and we are not required to hold non-binding advisory votes on executive compensation or obtain stockholder approval of any golden parachute payments not previously approved. We may choose to take advantage of some, but not all, of the available exemptions. We have taken advantage of reduced reporting obligations in this prospectus. In particular, in this prospectus, we have not included all of the executive compensation related information that would be required if we were not an emerging growth company. In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. These provisions allow an emerging growth company to delay the adoption of these accounting standards until they would otherwise apply to private companies. We have elected to take advantage of such extended transition period. We cannot predict whether investors will find our common stock less attractive as a result of its reliance on these exemptions. If some investors find our common stock to be less attractive as a result, there may be a less active trading market for our common stock and the price of our common stock may be more volatile than the current trading market and price of our common stock.

Further, there is no guarantee that the exemptions available under the JOBS Act will result in significant savings. To the extent that we choose not to use exemptions from various reporting requirements under the JOBS Act, we will incur additional compliance costs, which may impact our financial condition.

We will remain an emerging growth company until the earliest of: (i) the end of the fiscal year in which we have a total annual gross revenue of $1.235 billion; (ii) the last day of our fiscal year following the fifth anniversary of the completion of this offering; (iii) the date on which we have, during the previous three-year period, issued more than $1.0 billion in non-convertible debt; or (iv) the end of the fiscal year in which the market value of common stock held by non-affiliates exceeds $700 million as of the prior June 30. Even after we no longer qualify as an emerging growth company, we may continue to qualify as a smaller reporting company,

which would allow us to take advantage of many of the same exemptions from disclosure requirements, including reduced disclosure obligations regarding executive compensation. In addition, if we are a smaller reporting company with less than $100 million in annual revenue, we would not be required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act.

Anti-takeover provisions in our charter documents and under Delaware law could prevent or delay an acquisition of us that may be beneficial to our stockholders and may prevent attempts by our stockholders to replace or remove our current management.

Our amended and restated certificate of incorporation and our amended and restated bylaws that will be in effect upon completion of this offering contain provisions that could delay or prevent a change in control of our company. These provisions could also make it difficult for stockholders to elect directors who are not nominated by current members of our board of directors or take other corporate actions, including effecting changes in our management. These provisions:

- establish a classified board of directors so that not all members of our board are elected at one time;
- permit only the board of directors to establish the number of directors and fill vacancies on the board;
- provide that directors may only be removed "for cause" and only with the approval of two-thirds of our stockholders;
- require super-majority voting to amend some provisions in our amended and restated certificate of incorporation and amended and restated bylaws;
- authorize the issuance of "blank check" preferred stock that our board could use to implement a stockholder rights plan;
- eliminate the ability of our stockholders to call special meetings of stockholders;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;
- prohibit cumulative voting; and
- establish advance notice requirements for nominations for election to our board or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

In addition, Section 203 of the Delaware General Corporation Law (DGCL) may discourage, delay or prevent a change in control of our company. Section 203 imposes certain restrictions on mergers, business combinations and other transactions between us and holders of 15% or more of our common stock.

The exclusive forum provisions in our organizational documents may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers or employees, or the underwriters of any offering giving rise to such claim, which may discourage lawsuits with respect to such claims.

Our amended and restated certificate of incorporation that will be in effect upon completion of this offering, to the fullest extent permitted by law, will provide that the Court of Chancery of the State of Delaware is the exclusive forum for: 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 pursuant to the DGCL, our amended and restated certificate of incorporation, or our amended and restated bylaws; or any action asserting a claim that is governed by the internal affairs doctrine. This exclusive forum provision does not apply to suits brought to enforce a duty or liability created by the Exchange Act.

This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, or the underwriters of any offering giving rise to such claims, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provisions contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, financial condition, results of operations and prospects.

Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all claims brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Our amended and restated bylaws will provide that the federal district courts of the United States of America will, to the fullest extent permitted by law, be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act (the Federal Forum Provision), including for all causes of action asserted against any defendant named in such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by us, our officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering. Our decision to adopt a Federal Forum Provision followed a decision by the Supreme Court of the State of Delaware holding that such provisions are facially valid under Delaware law. While federal or other state courts may not follow the holding of the Delaware Supreme Court or may determine that the Federal Forum Provision should be enforced in a particular case, application of the Federal Forum Provision means that suits brought by our stockholders to enforce any duty or liability created by the Securities Act must be brought in federal court and cannot be brought in state court, and our stockholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all claims brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. In addition, neither the exclusive forum provision nor the Federal Forum Provision applies to suits brought to enforce any duty or liability created by the Exchange Act. Accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder must be brought in federal court, and our stockholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities shall be deemed to have notice of and consented to our exclusive forum provisions in our amended and restated bylaws, including the Federal Forum Provision. These provisions may limit a stockholders' ability to bring a claim, and may result in increased costs for a stockholder to bring such a claim, in a judicial forum of their choosing for disputes with us or our directors, officers, other employees or agents, which may discourage lawsuits against us and our directors, officers, other employees or agents.

Our board of directors will be authorized to issue and designate shares of our preferred stock without stockholder approval.

Our amended and restated certificate of incorporation will authorize our board of directors, without the approval of our stockholders, to issue shares of preferred stock, subject to limitations prescribed by applicable law, rules and regulations and the provisions of our amended and restated certificate of incorporation, and to establish from time to time the number of shares of preferred stock to be included in each such series and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof. The powers, preferences and rights of these additional series of convertible preferred stock may be senior to or on parity with our common stock, which may reduce our common stock's value.

Because we do not anticipate paying any dividends on our capital stock in the foreseeable future, capital appreciation, if any, will be your sole source of gain.

We have never declared nor paid dividends on our capital stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development, operation and expansion of our business and we do not anticipate declaring or paying any dividends in the foreseeable future. As a result, capital appreciation of our common stock, which may never occur, will be your sole source of gain on your investment for the foreseeable future.

The dual-class structure of our common stock may limit your ability to influence corporate matters and may limit your visibility with respect to certain transactions.

The dual class structure of our common stock may limit your ability to influence corporate matters. Holders of our common stock are entitled to one vote per share, while holders of our non-voting common stock are not entitled to any votes. Nonetheless, each share of our non-voting common stock may be converted at any

time into one share of our common stock at the option of its holder by providing written notice to us, subject to the ownership and other limitations provided for in our certificate of incorporation. Consequently, if holders of our non-voting common stock exercise their option to make this conversion, this will have the effect of increasing the relative voting power of those prior holders of our non-voting common stock, and correspondingly decreasing the voting power of the holders of our common stock, which may limit your ability to influence corporate matters. Additionally, stockholders who hold, in the aggregate, more than 10% of our common stock and non-voting common stock, but 10% or less of our common stock, and are not otherwise an insider, may not be required to report changes in their ownership due to transactions in our non-voting common stock pursuant to Section 16(a) of the Exchange Act, and may not be subject to the short-swing profit provisions of Section 16(b) of the Exchange Act.

General Risk Factors

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

Global economic and business activities continue to face widespread uncertainties, and global credit and financial markets have experienced extreme volatility and disruptions in the past several years, including severely diminished liquidity and credit availability, rising inflation and monetary supply shifts, rising interest rates, labor shortages, declines in consumer confidence, declines in economic growth, increases in unemployment rates, recession risks, and uncertainty about economic and geopolitical stability (for example, related to the ongoing conflicts in Ukraine and Israel and the surrounding areas). The extent of the impact of these conditions on our operational and financial performance, including our ability to execute our business strategies and initiatives in the expected timeframe, as well as that of third parties upon whom we rely, will depend on future developments which are uncertain and cannot be predicted. There can be no assurance that further deterioration in economic or market conditions will not occur, or how long these challenges will persist. If the current equity and credit markets further deteriorate, or do not improve, it may make any necessary debt or equity financing more difficult, more costly, and more dilutive. Furthermore, our stock price may decline due in part to the volatility of the stock market and the general economic downturn.

If securities or industry analysts do not publish research or reports about our business, or if they publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock will be influenced in part by the research and reports that industry or securities analysts publish about us or our business. We do not have any control over the industry or securities analysts, or the content and opinions included in their reports and may never obtain research coverage by securities and industry analysts. If no or few securities or industry analysts commence coverage of us, or if analysts cease coverage of us, we could lose visibility in the financial markets, and the trading price for our common stock could be impacted negatively. If any of the analysts who cover us publish inaccurate or unfavorable research or opinions regarding us, our business model, our intellectual property or our stock performance, or if our preclinical studies and clinical trials and operating results fail to meet the expectations of analysts, our stock price would likely decline.

We will incur increased costs as a result of operating as a public company, and our management will be required to devote substantial time to new compliance initiatives and corporate governance practices.

After the completion of this offering, as a public company, and particularly after we are no longer an emerging growth company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. The Securities Act, the Exchange Act, Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the Nasdaq Global Market and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, we expect these rules and regulations to substantially increase our legal and financial compliance costs and to make some activities more time-consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to incur substantial costs to maintain sufficient coverage.

We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers. The increased costs may require us to reduce costs in other areas of our business. Moreover, these rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Failure to establish and maintain effective internal control over financial reporting could adversely affect our business and if investors lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could be negatively affected.

We are not currently required to comply with the rules of the SEC implementing Section 404 of the Sarbanes-Oxley Act and are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Upon becoming a public company, we will be required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which will require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of internal control over financial reporting. Although we will be required to disclose changes made in our internal control over financial reporting on a quarterly basis, we will not be required to make our first annual assessment of our internal control over financial reporting until our second annual report on Form 10-K. However, as an emerging growth company, our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting until the later of the year following our first annual report required to be filed with the SEC or the date we are no longer an emerging growth company. At such time, our independent registered public accounting firm would need to issue a report that is adverse in the event that there are material weaknesses in our internal control over financial reporting.

As a private company, we do not currently have any internal audit function. To comply with the requirements of being a public company, we have undertaken various actions, and will need to take additional actions, such as implementing numerous internal controls and procedures and hiring additional accounting or internal audit staff or consultants. Testing and maintaining internal controls can divert our management's attention from other matters that are important to the operation of our business. Additionally, when evaluating our internal control over financial reporting, we may identify material weaknesses that we may not be able to remediate in time to meet the applicable deadline imposed upon us for compliance with the requirements of Section 404. If we identify any material weaknesses in our internal control over financial reporting or are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting once we are no longer an emerging growth company, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected, and we could become subject to investigations by the stock exchange on which our securities are listed, the SEC or other comparable foreign regulatory authorities, which could require additional financial and management resources. In addition, if we fail to remedy any material weakness, our financial statements could be inaccurate, and we could face restricted access to capital markets.

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

Upon the completion of this offering, we will become subject to the periodic reporting requirements of the Exchange Act. We must design our disclosure controls and procedures to reasonably assure that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Any disclosure controls and procedures, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. For example, our directors or executive officers

could inadvertently fail to disclose a new relationship or arrangement causing us to fail to make any related party transaction disclosures. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected. In addition, we do not have a formal risk management program for identifying and addressing risks to our business in other areas.

We may be subject to securities litigation, which is expensive and could divert management attention.

The market price of our common stock is likely to be volatile. The stock market in general, and Nasdaq and biopharmaceutical companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation (including the cost to defend against, and any potential adverse outcome resulting from any such proceeding) can be expensive, time-consuming, damage our reputation and divert our management's attention from other business concerns, which could seriously harm our business.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to our management. Some of the statements under the sections titled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" and elsewhere in this prospectus contain forward-looking statements. In some cases, you can identify forward-looking statements by the following words: "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "ongoing," "plan," "potential," "predict," "project," "should," "will," "would" or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words.

These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Although we believe that we have a reasonable basis for each forward-looking statement contained in this prospectus, we caution you that these statements are based on a combination of facts and factors currently known by us and our projections of the future, about which we cannot be certain. Forward-looking statements in this prospectus include, but are not limited to, statements about:

- our expectations regarding the potential benefits of our strategy;
- our expectations regarding the operation of our product candidates and related benefits;
- the success of competing therapies that are, or may become, available;
- developments relating to our competitors and our industry, including competing product candidates and therapies;
- details regarding our strategic vision and planned product candidate pipeline;
- our beliefs regarding the success, cost and timing of our product candidate development activities and current and future clinical trials and studies, including study design
- the timing or likelihood of regulatory filings or other actions and related regulatory authority responses;
- the ability and willingness of various third parties to engage in research and development activities involving our product candidates, and our ability to leverage those activities;
- our expectations regarding the ease of administration associated with our product candidates;
- our expectations regarding the patient compatibility associated with our product candidates;
- our beliefs regarding the potential markets for our product candidates and our ability to serve those markets;
- the ability to obtain and maintain regulatory approval of any of our product candidates, and any related restrictions, limitations and/or warnings in the label of any approved product candidate;
- our ability to commercialize any approved products;
- the rate and degree of market acceptance of any approved products;
- our ability to attract and retain key personnel;
- the accuracy of our estimates regarding our future revenue, as well as our future operating expenses, capital requirements and needs for additional financing;
- our ability to obtain funding for our operations, including funding necessary to complete further development and any commercialization of our product candidates;
- our ability to obtain, maintain, protect and enforce intellectual property protection for our product candidates and technology and not infringe, misappropriate or otherwise violate the intellectual property of others;
- regulatory developments in the United States and foreign countries;

- our expected use of the net proceeds to us from this offering; and
- our expectations regarding the period during which we qualify as an "emerging growth company" under the JOBS Act, and a "smaller reporting company," as defined in Rule 12b-2 of the Exchange Act.

You should refer to the section titled "Risk Factors" for a discussion of other important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this prospectus will prove to be accurate.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this prospectus, and although we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted a thorough inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely upon these statements.

Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

MARKET, INDUSTRY AND OTHER DATA

We obtained the industry, market and competitive position data used throughout this prospectus from our own internal estimates and research, as well as from market research, industry and general publications and surveys, governmental agencies, research, surveys and studies conducted by third parties and publicly available information.

In presenting this data, we have made certain assumptions based on our knowledge of our industry and market, which we believe to be reasonable. Internal estimates are derived from publicly available information released by industry analysts and third-party sources, our internal research and our industry experience. In some cases, we do not expressly refer to the sources from which this data is derived. In that regard, when we refer to one or more sources of this type of data in any paragraph, you should assume that other data of this type appearing in the same paragraph is derived from the same sources, unless otherwise expressly stated or the context otherwise requires. In addition, while we believe the industry, market and competitive position data included in this prospectus is reliable and based on reasonable assumptions, such data involve risks and uncertainties and are subject to change based on various factors, including those discussed in the sections titled “Risk Factors” and “Special Note Regarding Forward-Looking Statements.” These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties or by us.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately $ million (or approximately $ million if the underwriters' over-allotment option is exercised in full) based on the assumed initial public offering price of $ per share, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share would increase or decrease, as applicable, the net proceeds to us from this offering by approximately $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares of common stock offered by us would increase or decrease, as applicable, the net proceeds to us from this offering by approximately $ million, assuming the assumed initial public offering price of $ per share remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes of this offering are to obtain additional capital to support our operations, establish a public market for our common stock and facilitate our future access to the public capital markets.

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

- approximately $ million to advance the clinical development of ESK-001, through topline data readouts in each of our Phase 3 clinical trials in PsO and our proof-of concept Phase 2a clinical trial in Uveitis, and through completion of our Phase 2b clinical trial in SLE;
- approximately $ million to advance the clinical development of A-005 by completing the single ascending doses (SAD) and multiple ascending doses (MAD) portions of our Phase 1 study in healthy volunteers;
- approximately $ million to advance our discovery research efforts, including preclinical development activities;
- $23.0 million for a milestone payment that is contingent upon the first administration of ESK-001 to a patient enrolled in a Phase 3 clinical trial of ESK-001, under our stock purchase agreement with FronThera U.S. Holdings, Inc.; and
- the remainder for general corporate purposes, including additional clinical development, working capital, operating expenses and capital expenditures.

We may also use a portion of the net proceeds and our existing cash, cash equivalents and marketable securities to in-license, acquire, or invest in complementary businesses, technology platforms, products or assets, although we have no current agreements, commitments or understandings to do so.

Based on our current operating plan, we believe that our existing cash, cash equivalents and marketable securities, together with the estimated net proceeds from this offering, will be sufficient to meet our working capital and capital expenditure needs for at least the next 12 months, although there can be no assurance in that regard. In particular, we expect that the net proceeds from this offering will allow us to fund the continued clinical development of ESK-001, through topline data readouts in each of our Phase 3 clinical trials in PsO and our proof-of-concept Phase 2a clinical trial in Uveitis, and through completion of our Phase 2b clinical trial in SLE; to advance the clinical development of A-005 by completing the SAD/MAD portions of our Phase 1 study in healthy volunteers; and to advance our discovery research efforts, including preclinical development activities. Our expected use of proceeds from this offering described above represents our current intentions based on our present plans and business condition. As of the date of this prospectus, we cannot predict with certainty all of the particular uses for the proceeds to be received upon the closing of this offering or the actual amounts that we will spend on the uses set forth above. The net proceeds from this offering, together with our existing cash, cash equivalents and marketable securities, will not be sufficient to complete the clinical development of our product candidates, and we will need to raise substantial additional capital to complete the development of and commercialize our product candidates.

We do not have sufficient certainty regarding the additional dollar amount that will be needed to fund our product candidates through clinical development and regulatory approval, as the amounts and timing of our actual expenditures will depend on numerous factors, including the time and cost necessary to conduct our ongoing and planned preclinical studies and clinical trials, the results of our preclinical studies and clinical trials and other factors described in the section titled "Risk Factors" in this prospectus, as well as the amount of cash used in our operations and any unforeseen cash needs. Therefore, our actual expenditures may differ materially from the estimates described above. We may find it necessary or advisable to use the net proceeds for other purposes.

We will have broad discretion over how to use the net proceeds to us from this offering. We intend to invest the net proceeds to us from this offering that are not used as described above in short-term, investment-grade, interest-bearing instruments.

DIVIDEND POLICY

We do not anticipate declaring or paying, in the foreseeable future, any cash dividends on our capital stock. We intend to retain all available funds and future earnings, if any, to fund the development and expansion of our business. Any future determination regarding the declaration and payment of dividends, if any, will be at the discretion of our board of directors, subject to applicable laws, and will depend on then-existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant. In addition, our ability to pay cash dividends on our capital stock in the future may be limited by the terms of any future debt or preferred securities we issue or any credit facilities we enter into.

CAPITALIZATION

The following table sets forth our cash and cash equivalents, marketable securities, and total capitalization as of March 31, 2024:

- on an actual basis;
- on a pro forma basis, giving effect to (i) the issuance of 41,264,892 shares of Series C redeemable convertible preferred stock in May 2024 for approximately $129.3 million in aggregate net proceeds therefrom, (ii) the elimination of the derivative liability related to the second tranche closing of Series C redeemable convertible preferred stock in May 2024, (iii) the Preferred Stock Conversion and the Common Stock Reclassification (as if each had occurred as of March 31, 2024) and (iv) the filing and effectiveness of our amended and restated certificate of incorporation; and
- on a pro forma as adjusted basis to give further effect to our issuance and sale of shares of our common stock in this offering at the assumed initial public offering price of $ per share, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

You should read this table together with the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Description of Capital Stock," and our consolidated financial statements and the related notes included elsewhere in this prospectus.

	As of March 31, 2024		
	Actual	Pro Forma	Pro Forma As Adjusted[1][2]
	(in thousands except share and per share amounts)		
Cash and cash equivalents	$ 112,071	$241,372	$
Marketable securities	21,656	21,656	
Total cash, cash equivalents and marketable securities	$ 133,727	$263,028	$
Redeemable convertible preferred stock, $0.0001 par value per share; 202,643,727 shares authorized, 127,224,979 issued and outstanding, actual; and no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	495,575	—	—
Stockholders' equity (deficit):			
Preferred stock, $0.0001 par value; no shares authorized, issued and outstanding, actual; shares authorized, no shares issued and outstanding, pro forma and pro forma as adjusted	—	—	—
Common stock, $0.0001 par value per share; Class A common stock; 225,000,000 shares authorized, 12,525,233 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted; Class B common stock; 168,489,897 shares authorized, no shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	1	—	—
Common stock, $0.0001 par value per share; no shares authorized, issued and outstanding, actual; shares authorized, shares issued and outstanding, pro forma and pro forma as adjusted	—		
Non-voting common stock, $0.0001 par value per share; no shares authorized, issued and outstanding, actual; shares authorized, issued and outstanding, pro forma and pro forma as adjusted	—		
Additional paid-in capital	28,241		—
Accumulated other comprehensive (loss) income	(1)		
Accumulated deficit	(414,167)		
Total stockholders' equity (deficit)	(385,926)		
Total capitalization	$ 109,649	$	$

(1) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) each of our pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' equity (deficit) and total capitalization by approximately $ million, assuming that the number of shares offered, as set forth on the cover of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Each increase (decrease) of 1,000,000 shares in the number of shares offered by us would increase (decrease) each of our pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' equity (deficit) and total capitalization by approximately $ million, assuming the assumed initial public offering price per share remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

(2) This pro forma as adjusted information is illustrative only and will depend on the actual initial public offering price and other terms of this offering determined at pricing.

The number of shares of our common stock and non-voting common stock to be outstanding immediately after this offering, pro forma and pro forma as adjusted in the table above, is based on an aggregate of 181,015,104 shares of common stock and nonvoting common stock (which include 1,287,023 shares of unvested restricted stock awards subject to repurchase as of such date) outstanding as of March 31, 2024 after giving effect to (i) the issuance of 41,264,892 shares of Series C redeemable convertible preferred stock in May 2024, and (ii) the Preferred Stock Conversion and the Common Stock Reclassification, as if each had occurred as of March 31, 2024, and excludes:

- 26,019,851 shares of our common stock issuable upon the exercise of outstanding stock options as of March 31, 2024, with a weighted-average exercise price of $1.80 per share;
- 14,761,040 shares of our common stock issuable upon the exercise of outstanding stock options granted subsequent to March 31, 2024, with a weighted-average exercise price of $2.44 per share;
- shares of our common stock reserved for future issuance under our 2024 Plan, which will become effective once the registration statement of which this prospectus forms a part is declared effective, including new shares plus the number of shares (not to exceed shares) that (i) remain available for grant of future awards under the 2021 Plan and will cease to be available for issuance under the 2021 Plan at the time our 2024 Plan becomes effective in connection with this offering, and (ii) are underlying outstanding stock awards granted under our 2021 Plan, that expire or are repurchased, forfeited, cancelled or withheld, as well as any future automatic annual increases in the number of shares of common stock reserved for issuance under our 2024 Plan and, as more fully described in the section titled "Executive Compensation—Equity Benefit Plans;" and
- shares of our common stock reserved for issuance under our ESPP, which will become effective once the registration statement of which this prospectus forms a part is declared effective, as well as any future automatic annual increases in the number of shares of common stock reserved for future issuance under our ESPP, as more fully described in the section titled "Executive Compensation—Equity Benefit Plans."

DILUTION

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

As of March 31, 2024, our historical net tangible book value (deficit) was $(386.2) million, or $(30.83) per share based on 12,525,233 shares of our common stock (including 1,287,023 shares subject to repurchase as of such date) outstanding as of such date. Our historical net tangible book value (deficit) per share represents the amount of our total tangible assets less our total liabilities and our redeemable convertible preferred stock, divided by the total number of shares of Class A and Class B common stock outstanding as of March 31, 2024 (including 1,287,023 shares subject to repurchase as of such date).

Our pro forma net tangible book value as of March 31, 2024 was $250.7 million, or $1.39 per share of common stock and non-voting common stock. Pro forma net tangible book value per share represents the amount of our total tangible assets less our total liabilities after giving effect to (i) the issuance of 41,264,892 shares of Series C redeemable convertible preferred stock in May 2024 for approximately $129.3 million in aggregate net proceeds therefrom, (ii) the elimination of the derivative liability related to the tranche closing of Series C redeemable convertible preferred stock in May 2024, (iii) the Preferred Stock Conversion and the Common Stock Reclassification of 168,489,871 shares of redeemable convertible preferred stock, (as if each had occurred as of March 31, 2024) and (iv) the filing and effectiveness of our amended and restated certificate of incorporation, each of which will occur immediately prior to the closing of the offering. Pro forma net tangible book value per share represents pro forma net tangible book value divided by the total number of shares of our common stock and nonvoting common stock outstanding as of March 31, 2024 (including 1,287,023 shares of common stock subject to repurchase as of such date), after giving effect to the pro forma adjustments described above.

After giving further effect to our issuance and sale of shares of common stock in this offering at the assumed initial public offering price of $ per share, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of March 31, 2024 would have been $ million, or $ per share. This amount represents an immediate increase in pro forma as adjusted net tangible book value of $ per share to our existing stockholders and an immediate dilution in pro forma as adjusted net tangible book value of $ per share to new investors purchasing common stock in this offering. We determine dilution by subtracting the pro forma as adjusted net tangible book value per share after this offering from the initial public offering price per share paid by new investors. The following table illustrates this dilution on a per share basis:

Assumed initial public offering price per share		$
Historical net tangible book value (deficit) per share as of March 31, 2024	$(30.83)	
Increase per share attributable to the pro forma adjustments described above	32.22	
Pro forma net tangible book value per share as of March 31, 2024	$ 1.39	
Increase in pro forma as adjusted net tangible book value per share attributable to new investors purchasing shares of common stock in this offering		
Pro forma as adjusted net tangible book value per share immediately after this offering		
Dilution per share to new investors purchasing shares in this offering		$

The dilution information discussed above is illustrative only and may change based on the actual initial public offering price and other terms of this offering. Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, would increase or decrease, as applicable, our pro forma as adjusted net tangible book value per share after this offering by $ per share and increase or decrease, as applicable, the dilution to new investors purchasing shares of common stock in this offering by $ per share, in each case assuming the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares of common stock offered by us would increase or decrease our pro forma as adjusted net tangible book

value by approximately $ per share and decrease or increase, as applicable, the dilution to investors purchasing shares in this offering by approximately $ per share, in each case assuming the assumed initial public offering price of $ per share remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise their over-allotment option in full, the pro forma net tangible book value per share, as adjusted to give effect to this offering, would be $ per share, and the dilution in pro forma net tangible book value per share to new investors in this offering would be $ per share.

The following table summarizes, as of March 31, 2024, on the pro forma as adjusted basis as described above, the total number of shares of common stock and non-voting common stock purchased from us on an as converted to common stock and nonvoting common stock basis, the total consideration paid or to be paid and the weighted-average price per share paid or to be paid by existing stockholders and by new investors in this offering at an assumed initial public offering price of $ per share, before deducting underwriting discounts and commissions and estimated offering expenses payable by us. As the table shows, new investors purchasing common stock in this offering will pay an average price per share substantially higher than our existing stockholders paid.

	Shares Purchased		Total Consideration		Weighted-Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders	181,015,104	%	$631,972,217	%	$3.49
New investors					$
Totals		100.0%	$	100.0%	

The table above assumes no exercise of the underwriters' over-allotment option in this offering. If the underwriters' over-allotment option is exercised in full, the number of shares of our common stock held by existing stockholders would be reduced to % of the total number of shares of our common stock and non-voting common stock outstanding after this offering, and the number of shares of common stock held by new investors purchasing common stock in this offering would be increased to % of the total number of shares of our common stock and non-voting common stock outstanding after this offering.

The foregoing discussion and tables above (other than the historical net tangible book value (deficit) calculation) are based on an aggregate of number of shares of our common stock and non-voting common stock to be outstanding immediately after this offering is based on an aggregate of 181,015,104 shares of common stock and non-voting common stock (which include 1,287,023 shares of unvested restricted stock awards subject to a repurchase option by us) outstanding as of March 31, 2024, after giving effect to (i) the issuance of 41,264,892 shares of Series C redeemable convertible preferred stock in May 2024, and (ii) the Preferred Stock Conversion and the Common Stock Reclassification, as if each had occurred as of March 31, 2024, and excludes:

- 26,019,851 shares of our common stock issuable upon the exercise of outstanding stock options as of March 31, 2024, with a weighted-average exercise price of $1.80 per share;
- 14,761,040 shares of our common stock issuable upon the exercise of outstanding stock options granted subsequent to March 31, 2024, with a weighted-average exercise price of $2.44 per share;
- shares of our common stock reserved for future issuance under our 2024 Plan, which will become effective once the registration statement of which this prospectus forms a part is declared effective, including new shares plus the number of shares (not to exceed shares) that (i) remain available for grant of future awards under the 2021 Plan and will cease to be available for issuance under the 2021 Plan at the time our 2024 Plan becomes effective in connection with this offering, and (ii) are underlying outstanding stock awards granted under our 2021 Plan, that expire or are repurchased, forfeited, cancelled or withheld, as well as any future automatic annual increases in the number of shares of common stock reserved for issuance under our 2024 Plan and, as more fully described in the section titled "Executive Compensation—Equity Benefit Plans;" and
- shares of our common stock reserved for issuance under our ESPP, which will become effective once the registration statement of which this prospectus forms a part is declared effective, as well as any

future automatic annual increases in the number of shares of common stock reserved for future issuance under our ESPP, as more fully described in the section titled "Executive Compensation—Equity Benefit Plans."

To the extent that any outstanding options are exercised or new options are issued under our stock-based compensation plans, or we issue additional shares of common stock in the future, there will be further dilution to new investors participating in this offering.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes, our unaudited interim condensed consolidated financial statements and the related notes, and other financial information included elsewhere in this prospectus. This discussion and analysis and other parts of this prospectus contain forward-looking statements based upon our current plans and expectations that involve risks, uncertainties and assumptions, such as statements regarding our plans, objectives, expectations, intentions and beliefs. Our actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under the section titled "Risk Factors" and elsewhere in this prospectus. You should carefully read the section titled "Risk Factors" to gain an understanding of the important factors that could cause actual results to differ materially from our forward-looking statements. Please also see the section titled "Special Note Regarding Forward-Looking Statements."

Overview

Our mission is to significantly improve the lives of patients by replacing broad immunosuppression with targeted therapies. Our name, Alumis, captures our mission to enlighten immunology, and is inspired by the words "allumer"—French for illuminate—and "immunis"—Latin for the immune system.

We are a clinical stage biopharmaceutical company and our initial focus is to develop our two Tyrosine Kinase 2 (TYK2) inhibitors: ESK-001, a second-generation inhibitor that can achieve maximum target inhibition and A-005, a central nervous system (CNS) penetrant molecule. ESK-001 has demonstrated significant therapeutic effect in our Phase 2 program in patients with PsO, which we define as moderate-to-severe plaque psoriasis (PsO), and is currently being evaluated in additional Phase 2 clinical trials in patients with systemic lupus erythematosus (SLE) and non-infectious uveitis (Uveitis), for which we expect to report results in 2026 and by the end of 2024, respectively. With the favorable results in our Phase 2 clinical trial in PsO, we intend to initiate multiple Phase 3 trials of ESK-001 in the second half of 2024 in this indication. TYK2 genetic mutations are associated with a strong protective effect in multiple sclerosis, motivating us to develop our second product candidate, A-005, a CNS-penetrant, allosteric TYK2 inhibitor for neuroinflammatory and neurodegenerative diseases. In April 2024, we initiated our Phase 1 program of A-005 in healthy volunteers and expect to report initial results by the end of 2024.

Alumis was incubated by Foresite Labs and incorporated on January 29, 2021 as a Delaware corporation under the name FL2021-001, Inc. FL2021-001, Inc.'s name was changed to Esker Therapeutics, Inc. in March 2021 and to Alumis Inc. in January 2022.

Since our inception, we have devoted substantially all of our efforts to organizing our company, hiring personnel, business planning, acquiring and developing our product candidates, performing research and development, conducting preclinical studies and clinical trials, establishing and protecting our intellectual property portfolio, raising capital and providing general and administrative support for these activities. We do not have any products approved for sale and have not generated any revenue from product sales. We expect to continue to incur significant and increasing expenses and increasing substantial losses for the foreseeable future as we continue our development of and seek regulatory approvals for our product candidates and commercialize any approved products, seek to expand our product pipeline and invest in our organization. Our ability to achieve and sustain profitability will depend on our ability to successfully develop, obtain regulatory approval for and commercialize our product candidates. There can be no assurance that we will ever earn revenue or achieve profitability, or if achieved, that the revenue or profitability will be sustained on a continuing basis.

To date, we have primarily funded our operations with proceeds from sales of shares of our redeemable convertible preferred stock and the issuance of convertible promissory notes in private placements. As of March 31, 2024, we had $133.7 million in cash, cash equivalents and marketable securities.

We have incurred significant operating losses and negative cash flows since our inception. Our net loss for the years ended December 31, 2022 and 2023 was $111.9 million and $155.0 million, respectively. Our net loss for the three months ended March 31, 2023 and 2024 was $36.0 million and $49.8 million, respectively. As of

March 31, 2024, we had an accumulated deficit of $414.2 million. Substantially all of our net losses have resulted from costs incurred in connection with our research and development efforts, including acquisitions of in-process research and development assets, and, to a lesser extent, from general and administrative costs associated with our operations. Our net losses and operating losses may fluctuate from quarter to quarter and year to year depending primarily on the timing of acquisition of any new product candidates, the timing of our preclinical studies and clinical trials, our other research and development expenses, and the timing and amount of any milestone or royalty payments due under our existing or future license agreements. In addition, following the closing of this offering, we expect to incur additional costs associated with operating as a public company, including significant legal, audit, accounting, regulatory and tax-related services associated with maintaining compliance with exchange listing and SEC requirements, director and officer liability insurance costs, investor and public relations costs, and other expenses that we did not incur as a private company.

We anticipate that our expense will increase significantly in connection with our ongoing activities, particularly if and as we:

- continue to progress the development of our product candidates in multiple clinical trials in parallel;
- explore additional indications for our existing product candidates;
- hire additional clinical and scientific personnel;
- obtain, maintain, expand and protect our intellectual property rights;
- make royalty, milestone, or other payments under our existing acquisition agreements and any future license or collaboration agreements;
- seek to identify, acquire or in-license new technologies or product candidates;
- seek regulatory and marketing approvals for any of our product candidates that successfully complete clinical trials, if any;
- procure manufacturing and supply chain capacity for our product candidates, including commercial manufacturing readiness and scale-up;
- experience any delays, challenges or other issues associated with the clinical development and regulatory approvals of our product candidates;
- add operational, legal, financial and management information systems and personnel to support our product development, clinical execution and planned future commercialization efforts, as well as to support our transition to a public company;
- establish a sales, marketing and distribution infrastructure to commercialize any product candidates for which we obtain marketing approval; and
- operate as a public company.

We do not have any products approved for sale and have not generated any revenue from product sales since our inception. We do not expect to generate revenue from any product candidates that we develop until we obtain regulatory approval for one or more of such product candidates and commercialize our products or enter into collaboration agreements with third parties. Because of the numerous risks and uncertainties associated with biopharmaceutical product development, we may never achieve or sustain profitability and, unless and until we are able to develop and commercialize our product candidates, we will need to continue to raise additional capital. Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through public or private equity or debt financings, or potentially other capital sources, such as collaboration or licensing arrangements with third parties or other strategic transactions. There are no assurances that we will be successful in obtaining an adequate level of financing to support our business plans when needed on acceptable terms, or at all. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be or could be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing and equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through collaboration or licensing arrangements with third parties or other strategic transactions, we may

have to relinquish rights to our intellectual property, future revenue streams, research programs, or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise capital as and when needed, or on attractive terms, we may have to significantly delay, reduce, or discontinue the development and commercialization of our product candidates or scale back or terminate our pursuit of new in-licenses and acquisitions.

We do not currently own or operate any manufacturing facility. We rely on contract manufacturing organizations (CMOs) to produce our product candidates in accordance with the FDA's current cGMP regulations for use in our clinical studies. We have entered into development and manufacturing agreements with various CMOs relating to process development, manufacturing of drug substance and drug product, and quality testing of our product candidates. We expect to rely on our CMOs in the future for the manufacturing of our product candidates in order to expedite readiness for future clinical trials. Most of these CMOs have demonstrated capability in preparation of materials for commercialization. Additionally, we may decide to build our own manufacturing facility in the future to provide us greater flexibility and control over our clinical or commercial manufacturing needs.

Given our stage of development, we do not yet have a marketing or sales organization or commercial infrastructure; however, we intend to build the necessary sales, marketing and commercialization capabilities and infrastructure over time as our product candidates advance through clinical development. We expect to spend a significant amount in commercial development and marketing costs prior to obtaining regulatory and marketing approval of one or more of our product candidates.

Macroeconomic Trends

Unfavorable conditions in the economy in the United States and abroad may negatively affect the growth of our business and our results of operations. For example, macroeconomic events, including, rising inflation, tensions in U.S.-China relations, the U.S. Federal Reserve raising interest rates, recent and potential future disruptions in access to bank deposits and lending commitments due to bank failures and the effects of the ongoing geopolitical conflicts in Ukraine and Israel and the surrounding areas, have led to economic uncertainty and volatility globally. The effect of macroeconomic conditions may not be fully reflected in our results of operations until future periods. Moreover, negative macroeconomic conditions could adversely impact our ability to obtain financing in the future on terms acceptable to us, or at all. In addition, the geopolitical instability and related sanctions could continue to have significant ramifications on global financial markets, including volatility in the U.S. and global financial markets. To date, the macroeconomic trends discussed above have not had a material adverse impact on our business, financial condition or results of operations. If, however, economic uncertainty increases or the global economy worsens, our business, financial condition and results of operations may be harmed.

Components of Results of Operations

Operating Expenses

Our operating expenses consist of (i) research and development expenses and (ii) general and administrative expenses.

Research and Development Expenses

Research and development expenses consist of external and internal costs primarily related to acquiring and developing our research pipeline and technologies and clinical development of our product candidates.

External costs include:

- costs associated with acquiring technology and intellectual property licenses that have no alternative future uses and costs incurred under in-license or assignment agreements, including milestone payments;
- expenses incurred in connection with the discovery and preclinical development of our pipeline programs;

- costs incurred in connection with the clinical development of our product candidates, including under agreements with clinical research organizations (CROs), CMOs and other third parties that conduct clinical trials and manufacture clinical supplies, product candidates and components on our behalf; and
- costs for third-party professional research and development consulting services.

Internal costs include:

- research and development personnel-related costs, including salaries, annual bonuses, benefits, travel and meals expenses and stock-based compensation expense; and
- allocated facilities and other overhead costs, including software licenses, computer supplies and accessories and other miscellaneous expenses.

We have acquired and may continue to acquire the rights to develop and commercialize new product candidates. Upfront and milestone payments are accrued for and expensed as in process research and development (IPRD) assets expense when the achievement of the milestone is probable up to the point of regulatory approval and, absent obtaining such approval, have no alternative future use. Milestone payments made after a product's regulatory approval will be capitalized and amortized over the remaining useful life of the related product.

We expense research and development costs as incurred. Costs of certain activities are recognized based on an evaluation of the progress to completion of specific tasks. However, payments made prior to the receipt of goods or services that will be used or rendered for future research and development activities are deferred and capitalized as research and development prepaid expenses on our consolidated balance sheets. The capitalized amounts are recognized as expense as the goods are delivered or services are performed. Since our inception and through March 31, 2024, our external research and development expenses were primarily related to the discovery and advancement of programs under our TYK2 platform, including our two most advanced product candidates, ESK-001 and A-005. We use internal resources primarily for managing our research, process development, manufacturing and clinical development activities. In particular, with respect to internal costs, we deploy our personnel across all of our research and development activities as our employees work across multiple programs, and therefore the costs cannot be allocated to a particular product candidate or research program. In 2023, we began tracking external costs by program.

We expect our research and development expenses to increase substantially for the foreseeable future as we advance our product candidates into and through clinical trials, pursue regulatory approval of our product candidates, build our operational and commercial capabilities for marketing our products, if approved, and expand our pipeline of product candidates. The process of conducting the necessary clinical research to obtain regulatory approval is time-consuming, expensive and uncertain. The actual probability of success for our product candidates may be affected by a variety of factors, including the safety and efficacy of our product candidates, clinical data, investment in our clinical programs, competition, manufacturability and commercial viability. It is possible that we may never receive regulatory approval for any of our product candidates. As a result of the uncertainties discussed above, we are unable to determine the duration and completion of costs of our research and development projects or if, when and to what extent we will generate revenue from the commercialization and sale of our product candidates, if approved by the FDA and other comparable foreign regulatory authorities.

Our future research and development costs may vary significantly based on factors such as:

- the timing and progress of our preclinical and clinical development activities;
- the number and scope of preclinical and clinical programs we decide to pursue;
- the costs and timing of manufacturing of our product candidates
- the amount and timing of any milestone payment due under our existing asset acquisition agreements and any future license or collaboration agreements;
- the number of patients that participate in our clinical trials, and per participant clinical trial costs;
- the number and duration of clinical trials required for approval of our product candidates;

- the number of sites included in our clinical trials, and the locations of those sites;
- delays or difficulties in adding trial sites and enrolling participants;
- patient drop-out or discontinuation rates;
- additional safety monitoring if requested by regulatory authorities;
- the phase of development of our product candidates;
- the timing, receipt and terms of any approvals from applicable regulatory authorities including the FDA and comparable foreign regulatory authorities;
- maintaining a continued acceptable safety profile of our product candidates following approval, if any, of our product candidates;
- changes in the competitive outlook;
- the extent to which we establish additional strategic collaborations or other arrangements; and
- the impact of any business interruptions to our operations or to those of the third parties with whom we work.

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

General and Administrative Expenses

Our general and administrative expenses consist primarily of personnel-related costs, legal and consulting services, including those relating to intellectual property and corporate matters, marketing expenses and allocated facilities and other overhead costs, including software licenses, computer supplies, insurance and other miscellaneous expenses. Personnel-related costs include salaries, annual bonuses, benefits, travel and meal expenses and stock-based compensation expense for our general and administrative personnel.

We expect that our general and administrative expenses will increase substantially in the future as a result of expanding our operations, including hiring personnel, preparing for potential commercialization of our product candidates and facility occupancy costs, as well as various incremental costs associated with operating as a public company. We expect that our costs will increase related to legal, audit, accounting fees, consulting fees, regulatory and tax-related services associated with maintaining compliance with exchange listing and SEC requirements, director and officer insurance costs, investor and public relations costs and other expenses that we did not incur as a private company. We also expect to increase the size of our administrative function to support the growth of our business.

Other Income (Expense)

Other income (expense) consists primarily of interest income, including amortization of premiums and accretion of discounts on marketable securities and change in fair value of derivative liability.

In May 2023 and in March 2024, in connection with our redeemable convertible preferred stock financings, we issued options to purchase additional shares of redeemable convertible preferred stock at a specified price, which were accounted for as derivative liabilities. Changes in fair value of these derivative liabilities are included in the other income (loss) in the interim condensed consolidated statement of operations and comprehensive loss for each reporting period until the derivative is exercised or expires.

Results of Operations

Comparison of the Periods for the Years Ended December 31, 2022 and 2023

The following table summarizes our results of operations for the years ended December 31, 2022 and 2023 (dollars in thousands):

	Year ended December 31,		Change	
	2022	2023	$	%
Operating expenses:				
Research and development expenses, including related party expenses of $1,570 and $1,519 for the years ended December 31, 2022 and 2023, respectively	$ 101,304	$ 137,676	$ 36,372	36%
General and administrative expenses	12,546	20,498	7,952	63%
Total operating expenses	113,850	158,174	44,324	39%
Loss from operations	(113,850)	(158,174)	(44,324)	39%
Other income (expense):				
Interest income	1,992	3,368	1,376	69%
Change in fair value of derivative liability	—	(119)	(119)	100%
Other income (expense), net	(72)	(68)	4	*
Total other income (expense), net	1,920	3,181	1,261	*
Net loss	$(111,930)	$(154,993)	$(43,063)	38%

* not meaningful

Research and Development Expenses

The following table summarizes our external and internal research and development expenses for the years ended December 31, 2022 and 2023 (dollars in thousands):

	Year ended December 31, 2022	Year ended December 31, 2023	Change	
			$	%
External costs:				
Milestones related to previously acquired IPR&D assets	$ 37,000	$ —	$(37,000)	(100)%
CRO, CMO and clinical trials	28,570	68,967	40,397	141%
Professional consulting services	10,208	13,155	2,947	29%
Other research and development costs	3,999	11,463	7,464	187%
Internal costs:				
Personnel-related costs	17,985	32,068	14,083	78%
Facilities and overhead costs	3,542	12,023	8,481	239%
Total research and development expense	$101,304	$137,676	$ 36,372	36%

Research and development expenses increased by $36.4 million, from $101.3 million for the year ended December 31, 2022 to $137.7 million for the year ended December 31, 2023.

During the year ended December 31, 2022, milestones related to previously acquired IPR&D assets included a $37.0 million clinical milestone payment in connection with a March 2021 asset acquisition. No clinical milestones were achieved or probable during the year ended December 31, 2023. CRO, CMO and clinical trials expenses increased by $40.4 million for the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily due to increased CRO and CMO activities related to ESK-001 development. Professional research and development consulting service expense increased by $2.9 million and other research

and development costs increased by $7.5 million to support clinical trials for ESK-001, preclinical advancement of A-005 and other research programs.

Personnel-related costs increased by $14.1 million, from $18.0 million for the year ended December 31, 2022 to $32.1 million for the year ended December 31, 2023, as a result of increased research and development headcount from 63 to 90 employees as of December 31, 2022 and 2023, respectively. The increase in personnel-related costs includes an increase in stock-based compensation expense of $1.6 million as a result of additional options granted and an increase in the fair value of our common stock. Facilities and allocated overhead costs increased by $8.5 million primarily as a result of facilities and IT related expenses.

During the year ended December 31, 2023, our external research and development expenses were primarily related to the clinical development of our ESK-001 program and, to a lesser extent, advancing our A-005 product candidate and research pipeline. The following table summarizes our external costs by program for the year ended December 31, 2023 (dollars in thousands):

	Year ended December 31, 2023
ESK-001	$70,414
A-005	7,161
Other programs and research and development activities	16,010
Total external research and development expenses	$93,585

General and Administrative Expenses

General and administrative expenses increased by $8.0 million, from $12.5 million for the year ended December 31, 2022 to $20.5 million for the year ended December 31, 2023. Personnel-related expenses increased by $3.6 million from $7.4 million for the year ended December 31, 2022 to $11.0 million for the year ended December 31, 2023 as a result of increase in headcount from 16 to 20 employees as of December 31, 2022 and 2023, respectively. The increase in personnel-related costs includes an increase in stock-based compensation expense of $1.0 million as a result of additional options granted and an increase in the fair value of our common stock. Expenses related to professional consulting services increased by $4.0 million, from $3.9 million for the year ended December 31, 2022 to $7.9 million for the year ended December 31, 2023 primarily due to an increase in consulting, legal and accounting services to support our growth and business development.

Total Other Income (Expense), Net

Total other income (expense), net increased by $1.3 million, from other income of $1.9 million for the year ended December 31, 2022 to other income of $3.2 million for the year ended December 31, 2023.

Interest income increased by $1.4 million from $2.0 million for the year ended December 31, 2022 to $3.4 million for the year ended December 31, 2023 as a result of higher interest rates and higher investments balances during the year ended December 31, 2023 compared to the year ended December 31, 2022.

We recognized a loss of $0.1 million for the year ended December 31, 2023 related to the change in fair value of a derivative liability. We did not have a derivative liability for the year ended December 31, 2022 and therefore no such loss was recognized.

Comparison of the Periods for the Three Months Ended March 31, 2023 and 2024

The following table summarizes our results of operations for the three months ended March 31, 2023 and 2024 (dollars in thousands):

	Three months ended March 31		Change	
	2023	2024	$	%
Operating expenses:				
Research and development expenses, including related party expenses of $325 and $421 for the three months ended March 31, 2023 and 2024, respectively	$ 32,435	$ 41,961	$ 9,526	29%
General and administrative expenses	4,225	5,632	1,407	33%
Total operating expenses	36,660	47,593	10,933	30%
Loss from operations	(36,660)	(47,593)	(10,933)	30%
Other income (expense):				
Interest income	645	854	209	32%
Change in fair value of derivative liability	—	(3,095)	(3,095)	100%
Other income (expense), net	(12)	(15)	(3)	*
Total other income (expense), net	633	(2,256)	(2,889)	*
Net loss	$(36,027)	$(49,849)	$(13,822)	38%

* not meaningful

Research and Development Expenses

The following table summarizes our external and internal research and development expenses for the three months ended March 31, 2023 and 2024 (dollars in thousands):

	Three months ended March 31, 2023	Three months ended March 31, 2024	Change	
			$	%
External costs:				
CRO, CMO and clinical trials	$17,755	$24,264	$6,509	37%
Professional consulting services	3,124	3,525	401	13%
Other research and development costs	2,378	1,997	(381)	(16)%
Internal costs:				
Personnel-related costs	7,087	9,096	2,009	28%
Facilities and overhead costs	2,091	3,079	988	47%
Total research and development expense	$32,435	$41,961	$9,526	29%

Research and development expenses increased by $9.5 million, from $32.4 million for the three months ended March 31, 2023 to $42.0 million for the three months ended March 31, 2024.

CRO, CMO and clinical trials expenses increased by $6.5 million for the three months ended March 31, 2024 compared to the three months ended March 31, 2023, primarily due to a $7.7 million increase in CMC expenses associated with manufacturing of clinical supplies to support our trials, which was partially offset by a $1.2 million decrease in CRO and clinical trial expenses due to the timing and progression of our clinical trials for ESK-001.

Personnel-related costs increased by $2.0 million for the three months ended March 31, 2024 compared to the three months ended March 31, 2023, as a result of increased research and development headcount from 68 to 89 employees as of March 31, 2023 and 2024, respectively. The increase in personnel- related costs includes an increase in stock-based compensation expense of $0.4 million as we granted more options. Facilities and

allocated overhead costs increased by $1.0 million primarily as a result of increase in depreciation and facilities expenses allocated to the research and development activities.

The following table summarizes our external costs by program for the three months ended March 31, 2023 and 2024 (dollars in thousands):

	Three months ended March 31, 2023	Three months ended March 31, 2024
ESK-001	$18,747	$24,671
A-005	281	3,028
Other programs and research and development activities	4,229	2,087
Total external research and development expense	$23,257	$29,786

General and Administrative Expenses

General and administrative expenses increased by $1.4 million, from $4.2 million for the three months ended March 31, 2023 to $5.6 million for the three months ended March 31, 2024. Personnel-related expenses increased by $1.0 million from $2.5 million for the three months ended March 31, 2023 to $3.5 million for the three months ended March 31, 2024 as a result of an increase in headcount from 17 to 20 employees as of March 31, 2024. The increase in personnel-related costs includes an increase in stock-based compensation expense of $0.4 million as a result of additional options granted. Expenses related to professional consulting services increased by $0.6 million, from $1.4 million for the three months ended March 31, 2023 to $2.0 million for the three months ended March 31, 2024 primarily due to an increase in consulting, legal and accounting services to support our growth and business development.

Total Other Income (Expense), Net

Total other income (expense), net decreased by $2.9 million, from other income of $0.6 million for the three months ended March 31, 2023 to other expense of $2.3 million for the three months ended March 31, 2024.

Interest income increased by $0.2 million from $0.6 million for the three months ended March 31, 2023 to $0.8 million for the three months ended March 31, 2024 as a result of higher interest rates and higher investments balances during the three months ended March 31, 2024 compared to the three months ended March 31, 2023.

We recognized a change in fair value of a derivative liability loss of $3.1 million for the three months ended March 31, 2024. The derivative liability is our obligation to issue additional Series C or Series C-1 shares of redeemable convertible preferred shares in connection with the Series C redeemable convertible preferred stock financing, and is re-measured at fair value at each reporting period with changes recorded in other income (expense), net. Our fair value estimates were contemporaneously determined using the Black-Scholes model as described in Note 3 to our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. We did not have a derivative liability for the three months ended March 31, 2023.

Liquidity, Capital Resources and Capital Requirements

Sources of Liquidity

Since our inception, we have not generated any revenue from product sales and have incurred significant operating losses and negative cash flows from our operations. To date, we have primarily funded our operations with proceeds from sales of shares of our redeemable convertible preferred stock and the issuance of convertible promissory notes in private placements. From inception through March 31, 2024, we received aggregate gross proceeds of $459.1 million from sales of shares of our redeemable convertible preferred stock and $37.5 million from the issuance of convertible promissory notes to related parties. As of March 31, 2024, we had $133.7 million in cash, cash equivalents and marketable securities.

In connection with the Series C redeemable convertible preferred stock financing in March 2024, anytime prior to the earliest of (i) December 31, 2024, (ii) the execution of a letter of intent for the sale of our company, or (iii) the closing date of our initial public offering and at the discretion of our board of directors, we are

obligated to sell, and each Series C purchaser is obligated to purchase additional shares of our Series C redeemable convertible preferred stock, with the amount equal to the purchaser's aggregate purchase price in the First Tranche Series C Closing less any previous payments by the purchaser as part of a purchase right exercisable no later than December 31, 2024. In May 2024, we closed the second tranche Series C financing and issued an additional 41,264,892 shares of our Series C redeemable convertible preferred stock for net cash proceeds of approximately $129.3 million. See Note 8 to our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus for more information.

We expect to incur additional losses and negative cash flows from operations for the next 12 months. Given our recurring losses from operations and negative cash flows, and based on our current operating plan, there is substantial doubt about our ability to continue as a going concern.

We expect that the funds raised in connection with this offering and our cash, cash equivalents and marketable securities on hand will be sufficient to fund our operating expenses and capital expenditure requirements for at least the next 12 months. We have based this estimate on our current assumptions, which may prove to be wrong, and we may exhaust our available capital resources sooner than we expect.

Under our stock purchase agreement to acquire FronThera U.S. Holdings, Inc. and its wholly owned subsidiary, FronThera U.S. Pharmaceuticals LLC, we are obligated to pay contingent consideration of up to an aggregate of $120.0 million based on the achievement of specified clinical and approval milestones, for up to an aggregate of $70.0 million payable for clinical milestones, and for up to an aggregate of $50.0 million payable for approval milestones, all related to technology acquired under the agreement. We incurred and made a $37.0 million milestone payment in 2022 for the first administration of ESK-001 to a patient enrolled in a Phase 2 clinical trial of ESK-001, which was recorded as research and development expenses in the consolidated statement of operations and comprehensive loss for the year ended December 31, 2022. We will be obligated to make a $23.0 million milestone payment in connection with the first administration of ESK-001 to a patient enrolled in a Phase 3 clinical trial of ESK-001, which we anticipate will occur in the second half of 2024. No remaining milestones were achieved or probable as of March 31, 2024.

Future Funding Requirements

Our primary uses of cash are to fund our operations, which consist primarily of research and development expenditures related to our programs and, to a lesser extent, general and administrative expenditures. We anticipate that we will continue to incur significant and increasing expenses for the foreseeable future as we continue to advance our product candidates, expand our corporate infrastructure, including the costs associated with being a public company, further our research and development initiatives for our product candidates, and incur costs associated with potential commercialization. We are subject to all of the risks typically related to the development of new drug candidates, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. We anticipate that we will need substantial additional funding in connection with our continuing operations.

We do not have any products approved for sale and have not generated any revenue from product sales since our inception. We do not expect to generate revenue from any product candidates that we develop until we obtain regulatory approval for one or more of such product candidates and commercialize our products or enter into collaboration agreements with third parties. Because of the numerous risks and uncertainties associated with biopharmaceutical product development, we may never achieve or sustain profitability and, unless and until we are able to develop and commercialize our product candidates, we will need to continue to raise additional capital. Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through public or private equity or debt financings, or potentially other capital sources, such as collaboration or licensing arrangements with third parties or other strategic transactions. There are no assurances that we will be successful in obtaining an adequate level of financing to support our business plans when needed on acceptable terms, or at all. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be or could be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing and equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through collaboration or licensing arrangements with third parties or other strategic transactions, we may

have to relinquish rights to our intellectual property, future revenue streams, research programs, or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise capital as and when needed, or on attractive terms, we may have to significantly delay, reduce, or discontinue the development and commercialization of our product candidates or scale back or terminate our pursuit of new in-licenses and acquisitions.

Because of the numerous risks and uncertainties associated with research, development and commercialization of our products, we are unable to estimate the exact amount of our operating capital requirements. Our future funding requirements will depend on many factors, including the following:

- the timing, scope, progress and results of our preclinical studies and clinical trials for our current and future product candidates;
- the number, scope and duration of clinical trials required for regulatory approval of our current and future product candidates;
- the outcome, timing and cost of seeking and obtaining regulatory approvals from the FDA and comparable foreign regulatory authorities for our product candidates;
- the cost of manufacturing clinical and commercial supplies as well as scale up of our current and future product candidates;
- the increase in the number of our employees and expansion of our physical facilities to support growth initiatives;
- our ability to establish new, strategic collaborations, licensing or other arrangements;
- the cost of filing and prosecuting our patent applications, and maintaining and enforcing our patents and other intellectual property rights;
- the extent to which we acquire or in-license other product candidates and technologies;
- the cost of defending intellectual property disputes, including patent infringement actions brought by third parties against our product candidates;
- the timing of when we pay our operating expenses;
- the effect of competing technological and market developments;
- 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 amount of revenue, if any, received from commercial sales of our product candidates, should any of our product candidates receive marketing approval;
- our implementation of various computerized informational systems and efforts to enhance operational systems;
- the costs associated with being a public company; and
- other factors, including economic uncertainty and geopolitical tensions, which may exacerbate the magnitude of the factors discussed above.

Cash Flows

The following summarizes our cash flows for the periods indicated (in thousands):

	Year ended December 31,		Three months ended March 31,	
	2022	2023	2023	2024
Net cash used in operating activities	$(107,722)	$(129,975)	$(34,668)	$ (44,262)
Net cash (used in) provided by investing activities	(68,751)	60,472	31,065	(18,810)
Net cash provided by (used in) financing activities	101,627	89,682	(51)	129,147

	Year ended December 31,		Three months ended March 31,	
	2022	2023	2023	2024
Net (decrease) increase in cash, cash equivalents and restricted cash	$ (74,846)	$ 20,179	$ (3,654)	$ 66,075

Operating Activities

Net cash used in operating activities was $107.7 million and $130.0 million for the years ended December 31, 2022 and 2023, respectively.

Net cash used in operating activities for the year ended December 31, 2022 was primarily due to our net loss for the period of $111.9 million and changes in operating assets and liabilities of $1.9 million. The cash used in operating activities was partially offset by non-cash items of $6.1 million, of which $6.0 million is related to stock-based compensation expense. The changes in operating assets and liabilities primarily include an increase of $7.3 million in research and development prepaid expenses and an increase of $1.0 million in other prepaid expense and current assets, partially offset by an increase of $3.6 million in other accrued expenses and current liabilities, an increase of $2.4 million in research and development accrued expenses and an increase of $1.3 million in accounts payable. The increase in research and development prepaid expenses was primarily due to advance payments to CROs related to the ongoing clinical trials. The increase in other accrued expenses and current liabilities was primarily due to an increase in accrued bonuses expense, driven by an increase in headcount.

Net cash used in operating activities for the year ended December 31, 2023 was due to our net loss for the period of $155.0 million, offset by non-cash items of $13.0 million and changes in operating assets and liabilities of $12.0 million. Non-cash items primarily include $8.6 million of stock-based compensation expense, $2.0 million of non-cash lease expense and $1.3 million of depreciation and amortization. The changes in operating assets and liabilities primarily include a decrease of $5.5 million in research and development prepaid expenses, an increase of $5.2 million in research and development accrued expenses and an increase $2.5 million in other accrued expenses and current liabilities.

Net cash used in operating activities was $34.7 million and $44.3 million for the three months ended March 31, 2023 and 2024, respectively.

Net cash used in operating activities for the three months ended March 31, 2023 was primarily due to our net loss for the period of $36.0 million and changes in operating assets and liabilities of $1.1 million. The cash used in operating activities was partially offset by non-cash items of $2.4 million, of which $1.8 million is related to stock-based compensation expense and $0.8 million is related to non-cash lease expense. The changes in operating assets and liabilities primarily include a decrease of $1.8 million in other accrued expenses and current liabilities, primarily related to bonuses payout, and an increase of $0.8 million in research and development prepaid expenses, partially offset by an increase of $1.3 million in research and development accrued expenses, as our clinical trials activities progress.

Net cash used in operating activities for the three months ended March 31, 2024 was due to our net loss for the period of $49.8 million, and changes in operating assets and liabilities of $0.9 million. The cash used in operating activities was partially offset by non-cash items of $6.5 million, of which $3.1 million is related to the change in fair value of the derivative liability and $2.7 million is related to stock-based compensation expense. The changes in operating assets and liabilities primarily include a decrease of $3.2 million in other accrued expenses and current liabilities, primarily related to bonuses payout, and an increase of $2.9 million in research and development prepaid expenses, partially offset by an increase of $5.7 million in accounts payable, primarily due to timing of payments to our CROs and CMOs related to our ongoing clinical trials.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2022 of $68.8 million was related to purchases of marketable securities of $209.1 million and purchases of property and equipment of $2.4 million, partially offset by proceeds from maturities of marketable securities of $142.7 million.

Net cash provided by investing activities for the year ended December 31, 2023 of $60.5 million was related to proceeds from maturities of marketable securities of $76.3 million, partially offset by purchases of marketable securities of $11.3 million and purchases of property and equipment of $4.5 million.

Net cash provided by investing activities for the three months ended March 31, 2023 of $31.1 million was related to proceeds from maturities of marketable securities of $36.3 million, partially offset by purchases of marketable securities of $4.9 million.

Net cash used in investing activities for the three months ended March 31, 2024 of $18.8 million was related to purchases of marketable securities of $19.7 million, partially offset by proceeds from maturities of marketable securities of $1.0 million.

Financing Activities

Net cash provided by financing activities for the year ended December 31, 2022 of $101.6 million was related to net proceeds from the issuance of our Series B redeemable convertible preferred stock financing of $99.9 million and proceeds of $1.7 million from issuance of common stock upon exercise of stock options.

Net cash provided by financing activities for the year ended December 31, 2023 of $89.7 million was primarily related to net proceeds from the issuance of our Series B-2 and Series B-2A redeemable convertible preferred stock financing.

Net cash used in financing activities for the three months ended March 31, 2023 of $0.1 million was related to repurchase of common stock shares issued upon early exercised stock options.

Net cash provided by financing activities for the three months ended March 31, 2024 of $129.1 million was primarily related to net proceeds from the issuance of our Series C redeemable convertible preferred stock financing.

Contractual Obligations and Commitments

We enter into contracts in the normal course of business with suppliers, CROs, CMOs and clinical trial sites. These agreements provide for termination at the request of either party generally with less than one-year notice and are therefore cancellable contracts. We do not currently expect any of these agreements to be terminated and did not have any non-cancelable obligations under these agreements as of December 31, 2023 and March 31, 2024.

On March 5, 2021, we entered into a stock purchase agreement to acquire FronThera U.S. Holdings, Inc. and its wholly owned subsidiary, FronThera U.S. Pharmaceuticals LLC. The transaction was accounted for as an asset acquisition. Under the agreement, we are obligated to pay contingent consideration of up to an aggregate of $120.0 million based on the achievement of specified clinical and approval milestones, for up to an aggregate of $70.0 million payable for clinical milestones, and for up to an aggregate of $50.0 million payable for approval milestones, all related to technology acquired under the agreement. We incurred and paid a milestone of $37.0 million during the year ended December 31, 2022, and will be obligated to make a $23.0 million milestone payment in connection with the first administration of ESK-001 to a patient enrolled in a Phase 3 clinical trial of ESK-001, which we anticipate will occur in the second half of 2024. No remaining milestones were reached or probable for the year ended December 31, 2023 and three months ended March 31, 2024.

Leases

We have operating lease arrangements for office and laboratory space in South San Francisco, California. As of March 31, 2024, we had total lease payment obligations under non-cancelable leases of $52.3 million, including $3.9 million payable through December 31, 2024. See Note 7 to our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus.

Recently Issued Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position, results of operations or cash flows is disclosed in Note 2 to our audited consolidated financial

statements and Note 2 to our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported expenses during the reporting period. These estimates and assumptions are monitored and analyzed by us for changes in facts and circumstances, and material changes in these estimates and assumptions could occur in the future. 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. Changes in estimates are reflected in reported results for the period in which they become known. Actual results may differ from these estimates under different assumptions or conditions.

Although our significant accounting policies are described in more detail in Note 2 to our audited consolidated financial statements and Note 2 to our unaudited interim condensed consolidated financial statements included in this prospectus, we believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our financial statements.

Research and Development Accrued Expenses

Research and development costs are expensed as incurred. As part of the process of preparing our financial statements, we are required to estimate our research and development accrued expenses, including those related to clinical trials and manufacturing clinical and preclinical materials. This process involves reviewing open contracts and purchase orders and communicating with our applicable personnel to identify services that have been performed on our behalf and estimating the level of service performed and the associated cost incurred for the services when we have not yet been invoiced or otherwise notified of actual costs. Our service providers invoice us in arrears, as well as on a pre-determined schedule or when contractual milestones are met. We make estimates of our research and development accrued expenses as of each balance sheet date in the consolidated financial statements based on facts and circumstances known to us at that time. We periodically confirm the accuracy of the estimates with the service providers and make adjustments if necessary. Examples of estimated research and development accrued expenses include fees paid to:

- vendors in connection with preclinical and clinical development activities;
- CROs in connection with clinical trials; and
- CMOs in connection with the process development and scale-up activities and the production of preclinical and clinical trial materials.

Costs for clinical trials and manufacturing activities are recognized based on an evaluation of our vendors' progress towards completion of specific tasks, using data such as participant enrollment, clinical site activations or information provided to us by our vendors regarding their actual costs incurred. Payments for these activities are based on the terms of individual contracts and payment timing may differ significantly from the period in which the services were performed. We determine accrual estimates through reports from and discussions with applicable personnel and outside service providers as to the progress or state of completion of studies, or the services completed. Our estimates of research and development accrued expenses as of each balance sheet date are based on the facts and circumstances known at the time. Costs that are paid in advance of performance are deferred as a prepaid expense and amortized over the service period as the services are provided.

Although we do not expect our estimates to be materially different from amounts actually incurred, our understanding of the status and timing of services performed relative to the actual status and timing of services performed may vary and may result in reporting amounts that are too high or too low in any particular period. To date, there have not been any material adjustments to our prior estimates of research and development accrued expenses. However, due to the nature of estimates, we cannot assure that we will not make changes to

our estimates in the future as we become aware of additional information about the status or conduct of our clinical trials and other research activities.

Asset Acquisitions and Acquired In-Process Research and Development Expenses

We measure and recognize asset acquisitions that are not deemed to be business combinations based on the cost to acquire the asset or group of assets, which includes transaction costs. We determine if the acquisition should be accounted for as an asset acquisition after considering whether substantially all of the fair value of the gross assets acquired was concentrated in a single asset or group of assets and whether we acquired a substantive process capable of significantly contributing to our ability to create outputs. Goodwill is not recognized in asset acquisitions. If acquired in-process technology assets, including licenses, know-how and patents are determined to not have an alternative future use, the cost is charged to research and development expenses at the acquisition date.

Contingent consideration in asset acquisitions payable in the form of cash is recognized in the period the triggering event is determined to be probable of occurrence and the related amount is reasonably estimable. Such amounts are expensed or capitalized based on the nature of the associated asset at the date the related contingency is probable and reasonably estimable.

Derivative Liability

We determined that the obligation to issue additional shares of redeemable convertible preferred stock upon the occurrence of certain events, including our board of directors' consent, represents a freestanding financial instrument. The instrument is classified as a liability on the consolidated balance sheets and is subject to re-measurement at each balance sheet date and at the settlement date. Any change in fair value is recognized in the statements of operations and comprehensive loss.

We utilize the Black-Scholes option-pricing model, which incorporates assumptions and estimates, to value the derivative liability. On a quarterly basis, we assess these assumptions and estimates as additional information impacting the assumptions is obtained. Significant estimates and assumptions impacting fair value include the estimated time and probability of closing of the second tranche financing, preferred stock fair value and estimated stock volatility.

We determine the fair value per share of the underlying redeemable convertible preferred stock by taking into consideration our most recent sales of our preferred stock as well as additional factors that we deem relevant. We are a private company and lack company-specific historical and implied volatility information of our stock. Therefore, we determine expected stock volatility based on the historical volatility of the prices of shares of common stock of publicly traded peer companies. We estimate the risk-free interest rate by reference to the U.S. Treasury yield curve for time periods approximately equal to the remaining contractual term of the outstanding tranche liability. We have assumed a 0% dividend considering that our board of directors has no history of declaring dividends and does not intend to declare any.

In May 2023, we estimated the fair value of the derivative liability of $2.1 million at the issuance date. We recognized changes in fair value of $0.1 million as other expense in the consolidated statement of operations and comprehensive loss during the year ended December 31, 2023. The derivative liability was settled in October 2023, when investors purchased shares of Series B-2 and Series B-2A redeemable convertible preferred stock in a second tranche closing.

In connection with the Series C redeemable convertible preferred stock financing in March 2024, we issued to investors two freestanding financial instruments and estimated their fair value of $8.9 million at the issuance date. We recognized changes in fair value of $3.1 million as other expense in the interim condensed consolidated statement of operations and comprehensive loss during the three months ended March 31, 2024. As of March 31, 2024, the fair value of the derivative liability was $12.0 million in our unaudited interim condensed consolidated balance sheet. The derivative liability was settled in May 2024, when investors purchased shares of Series C redeemable convertible preferred stock in the second tranche Series C closing.

Stock-Based Compensation Expense

Stock-based compensation expense related to the stock-based awards granted to employees, consultants and directors is measured at the grant date based on the fair value of the award. Compensation expense for those

awards is recognized over the requisite service period, which is generally the vesting period. We use the straight-line method to record the expense of awards with service-based vesting conditions. We account for forfeitures of stock-based awards as they occur rather than applying an estimated forfeiture rate to stock-based compensation expense.

We estimate the fair value of each award on the date of grant using the Black-Scholes option -pricing model. This model requires the use of highly subject assumptions to determine the fair value of each stock-based award, including:

- *Fair value of common stock.* See the subsection titled "—Determination of Fair Value of Common Stock" below.
- *Expected term.* The expected term represents the weighted-average period the stock options are expected to remain outstanding and is based on the options' vesting terms and contractual terms, as we did not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior.
- *Expected volatility.* Since we are not yet a public company and do not have any trading history for our common stock, the expected volatility was estimated based on the average historical volatilities of common stock of comparable publicly traded entities over a period equal to the expected term of the stock option grants. The comparable industry peers were chosen based on their size, stage of their life cycle or area of specialty. We will continue to apply this process until enough historical information regarding the volatility of our stock price becomes available.
- *Risk-free interest rate.* The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of grant for zero-coupon U.S. Treasury notes with maturities approximately equal to the expected term of the awards.
- *Expected dividend yield.* We have never paid dividends on our common stock and have no plans to pay dividends on our common stock. Therefore, we used an expected dividend yield of zero.

See Note 11 to our audited consolidated financial statements and Note 10 to our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus for information concerning certain of the specific assumptions we used in applying the Black-Scholes option pricing model to determine the estimated fair value of our stock options granted in the periods presented.

As of March 31, 2024, there was $31.6 million of total unrecognized stock-based compensation expense related to our granted options, which we expect to recognize over a remaining weighted-average period of 3.1 years. We expect to continue to grant equity-based awards in the future, and to the extent that we do, our stock-based compensations expense recognized in future periods will likely increase.

The intrinsic value of all outstanding stock options as of March 31, 2024 was approximately $ million, based on the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, of which approximately $ million related to vested stock options and approximately $ million related to unvested stock options.

Determination of Fair Value of Common Stock

As there has been no public market for our common stock to date, the estimated fair value of our common stock underlying our share-based awards was estimated on each grant date by our management and approved by our board of directors. Our board of directors exercised reasonable judgment and considered a number of objective and subjective factor, as well as valuations prepared by independent third-party valuation firms. The methodologies used to estimate the enterprise value are performed using methodologies, approaches and assumptions consistent with the American Institute of Certified Public Accountants Accounting and Valuation Guide, Valuation of Privately-Held-Company Equity Securities Issued as Compensation *(the Practice Aid)*.

In addition to considering the results of independent third-party valuations, we considered various objective and subjective factors to determine the fair value of common stock as of each grant date, including:

- the prices at which we sold shares of our preferred stock and the superior rights, preferences and privileges of our preferred stock relative to those of our common stock at the time of each grant;
- the progress of our research and development programs, including the status of preclinical studies and clinical trials for our product candidates;
- our stage of development and our business strategy, and material risks related to our business;
- external market conditions affecting the biotechnology industry and trends within the biotechnology industry;
- the competitive landscape for our product candidates;
- our financial position, including cash on hand, and our historical and forecasted performance and operating results;
- the lack of an active public market for our common stock and our preferred stock;
- the likelihood of achieving a liquidity event, such as an IPO or a sale of our company, given prevailing market conditions; and
- the economy in general.

Prior to May 2023, we utilized an Option Pricing Method (OPM) based analysis, primarily the OPM backsolve methodology, to determine the estimated fair value of our common stock and redeemable convertible preferred stock. Within the OPM framework, we determined the backsolve method was the most appropriate method for determining the fair value of our common stock. The backsolve method is used for inferring the total equity value implied by a recent financing transaction, or by an estimated equity value of our pipeline product candidates, involves the construction of an allocation model that takes into account our capital structure and the rights, preferences and privileges of each class of stock, then assumes reasonable inputs for the other OPM variables (expected time to liquidity, volatility and risk-free rate). The total equity value is then iterated in the model until the model output value for the equity class sold in a recent financing round equals the price paid in that round. The OPM is generally utilized when specific future liquidity events are difficult to forecast (i.e., the enterprise has many choices and options available), and the enterprise's value depends on how well it follows an uncharted path through the various possible opportunities and challenges. The resulting equity value was then assigned to each class of equity securities using the OPM, which treats ordinary shares and preferred shares as call options on the equity value, with exercise prices based on the liquidation preference of our preferred stock. The shares of common stock are modeled as a call option with a claim on the equity value at an exercise price equal to the remaining value immediately after our preferred stock is liquidated. After the equity value is determined and allocated to the various classes of equity securities, we applied discounts to reflect the lack of marketability of our common stock based on the weighted-average expected time to liquidity. The estimated fair value of the common stock at each grant date reflected a non-marketability discount partially based on the anticipated likelihood and timing of a future liquidity event.

For our valuations performed on and after May 2023, we utilized a hybrid method that combines the Probability-Weighted Expected Return Method (PWERM), an accepted valuation method described in the Practice Aid, and the OPM. We determined this was the most appropriate method for determining the fair value of our common stock based on our stage of development and other relevant factors. The PWERM is a scenario-based analysis that estimates the value per share of common stock based on the probability-weighted present value of expected future equity values for the common stock, under various possible future liquidity event scenarios, considering the rights and preferences of each class of shares, discounted for a lack of marketability. Under the hybrid method, an OPM was utilized to determine the fair value of our common stock and our redeemable convertible preferred stock in certain of the PWERM scenarios (capturing situations where our development path and future liquidity events were difficult to forecast), potential exit events were explicitly modeled in the other PWERM scenarios. A discount for lack of marketability was applied to the value derived under each scenario to account for a lack of access to an active public market to estimate our common stock fair value. The assumptions underlying these valuations represented our management's best estimates, which involved inherent uncertainties and the application of management's judgment. As a result, if we had used significantly different assumptions or estimates, the fair value of our common stock and our stock-based compensation expense could have been materially different.

The assumptions underlying these valuations represented management's best estimate, which involved inherent uncertainties and the application of management's judgment. As a result, if we had used significantly different assumptions or estimates, the fair value of our common stock and our stock-based compensation expense could be materially different.

Once a public trading market for our common stock has been established in connection with the completion of this offering, it will no longer be necessary for our board of directors to estimate the fair value of our common stock in connection with our accounting for granted stock options and other such awards we may grant, as the fair value of our common stock will be based on the quoted market price of our common stock.

Off-Balance Sheet Arrangements

During the periods presented we did not have, nor do we currently have, any off-balance sheet arrangements as defined in the rules and regulations of the SEC.

Quantitative and Qualitative Disclosures About Market Risks

Interest Rate Risk

The primary objectives of our investment activities are to ensure liquidity and to preserve capital. We are exposed to market risks related to changes in interest rates of our cash equivalents and marketable securities. However, due to the nature of these cash equivalents and marketable securities, we do not believe that a hypothetical 10% increase or decrease in interest rates during any of the periods presented would have had a material effect on our consolidated financial statements included elsewhere in this prospectus.

Foreign Currency Exchange Risk

All of our employees and our operations are currently located in the United States, and our expenses are generally denominated in U.S. dollars. However, we do utilize certain CRO and CMO vendors outside of the United States for our clinical trials and product development and manufacturing. As such, our expenses are denominated in both U.S. dollars and foreign currencies. Therefore, our operations are and will continue to be subject to fluctuations in foreign currency exchange rates. To date, foreign currency transaction gains and losses have not been material to our consolidated financial statements, and we have not had a formal hedging program with respect to foreign currency. We do not believe that a hypothetical 10% increase or decrease in exchange rates during any of the periods presented would have had a material effect on our consolidated financial statements included elsewhere in this prospectus.

Effects of Inflation

Inflation generally affects us by increasing our cost of labor and research and development costs. We do not believe that inflation had a material effect on our business, results of operations, or financial condition, or on our consolidated financial statements included elsewhere in this prospectus.

JOBS Act Transition Period and Smaller Reporting Company Status

We are an "emerging growth company" as defined in the JOBS Act. Under the JOBS Act, an emerging growth company can take advantage of the extended transition period for complying with new or revised accounting standards and delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of this exemption from complying with new or revised accounting standards and, therefore, will not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

We are in the process of evaluating the benefits of relying on other exemptions and reduced reporting requirements under the JOBS Act. Subject to certain conditions, as an emerging growth company, we may rely on certain of these exemptions, including without limitation exemptions to the requirements for (i) providing an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act and (ii) complying 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, known as the auditor discussion and analysis. We will remain an emerging growth company until the earlier to occur of (a) the last day of the fiscal year (A) following the fifth anniversary of the completion of this offering, (B) in which we have total annual gross revenues of at least $1.235 billion or (C) in which we are deemed to be a "large accelerated filer" under the rules of the SEC, which means the market value of our common stock and non- voting common stock that is held by non-affiliates exceeds $700.0 million as of the prior June 30th, or (b) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

We are also a "smaller reporting company," meaning that the market value of our common stock and non-voting common stock held by non-affiliates plus the proposed aggregate amount of gross proceeds to us as a result of this offering is less than $700.0 million and our annual revenue is less than $100.0 million during the most recently completed fiscal year. We may continue to be a smaller reporting company after this offering if either (i) the market value of our common stock and non-voting common stock held by non-affiliates is less than $250.0 million or (ii) our annual revenue is less than $100.0 million during the most recently completed fiscal year and the market value of our common stock and non-voting common stock 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.

BUSINESS

Overview

Our mission is to significantly improve the lives of patients by replacing broad immunosuppression with targeted therapies. Our name, Alumis, captures our mission to enlighten immunology, and is inspired by the words “allumer”—French for illuminate—and “immunis”—Latin for the immune system.

We are a clinical stage biopharmaceutical company with an initial focus on developing our two Tyrosine Kinase 2 (TYK2) inhibitors: ESK-001, a second-generation inhibitor that we are developing to achieve maximum target inhibition, and A-005, a central nervous system (CNS) penetrant molecule. ESK-001 has demonstrated significant therapeutic effect in our Phase 2 program in patients with PsO, which we define as moderate-to-severe plaque psoriasis (PsO), and is currently being evaluated in additional Phase 2 clinical trials in patients with systemic lupus erythematosus (SLE) and non-infectious uveitis (Uveitis), for which we expect to report results in 2026 and by the end of 2024, respectively. With the favorable results in our Phase 2 trial in PsO, we intend to initiate multiple Phase 3 clinical trials of ESK-001 in the second half of 2024 in this indication. TYK2 genetic mutations are associated with a strong protective effect in multiple sclerosis, motivating us to develop our second product candidate, A-005, as a CNS-penetrant, allosteric TYK2 inhibitor for neuroinflammatory and neurodegenerative diseases. In April 2024, we initiated our Phase 1 program of A-005 in healthy volunteers and expect to report initial results by the end of 2024.

We utilize our proprietary precision data analytics platform, biological insights and team of experienced research and development experts to deepen our understanding of disease pathologies, accelerate research and development and increase the probability of clinical success. Our collective insights informed our selection of TYK2 as the target for our two lead programs. Beyond TYK2, our proprietary precision data analytics platform and drug discovery expertise have led to the identification of additional preclinical programs that exemplify our precision approach.

We recognize that patients living with immune-mediated diseases need alternatives to currently available therapies. Despite recent advances and innovations in the treatment of immune-mediated diseases, many patients continue to suffer, cycling through currently approved therapies while looking for a solution that alleviates the debilitating impact of their disease without life-limiting side effects.

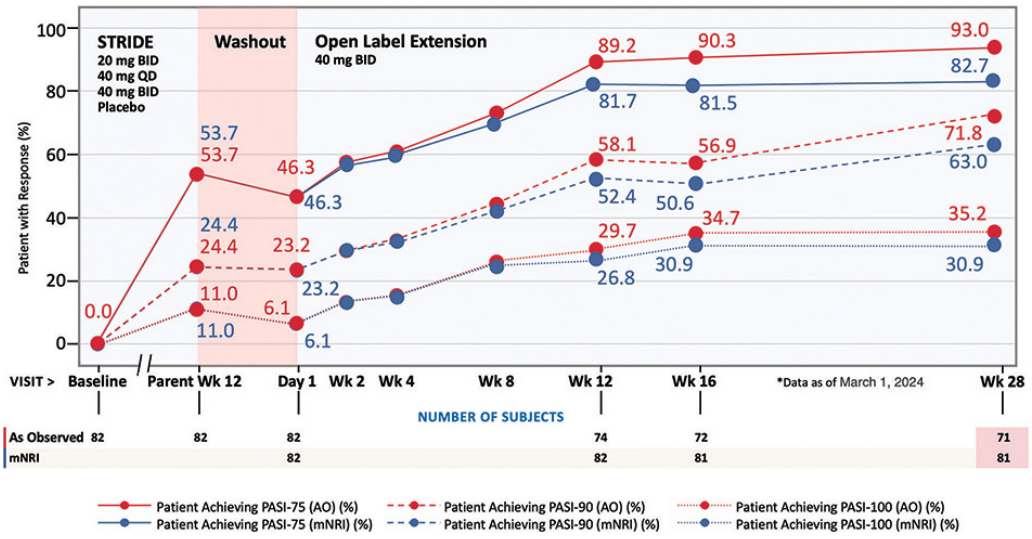
Addressing the needs of these patients is why we exist. We are pioneering a precision approach that leverages insights derived from powerful data analytics to select the right target, right molecule, right indication, right patient, right endpoint and right combination to dramatically improve patient outcomes. We believe that combining our insights with an integrated approach to drug development will produce the next generation of treatments to address immune dysfunction.

Our most advanced product candidate, ESK-001, is an oral, highly selective, small molecule, allosteric inhibitor of TYK2. At the 2024 American Academy of Dermatology (AAD) Annual Meeting in March 2024, we announced positive data from our Phase 2 clinical program of ESK-001 in patients with PsO, which included the results of our Phase 2 STRIDE trial and interim results of our open label extension (OLE) as of a December 8, 2023 data cut. An additional OLE data cut was performed when all patients reached 28 weeks of treatment based on data through March 1, 2024. Our data demonstrated that ESK-001’s ability to maximally inhibit TYK2 translates to the achievement of high rates of response, as measured by the Psoriasis Area and Severity Index (PASI), in patients, with response rates in the range observed with existing biologic therapies. Our Phase 2 STRIDE trial, in which 228 patients with PsO were randomized to one of five ESK-001 dose cohorts or placebo, met its primary endpoint, the proportion of patients achieving a 75% improvement in the PASI Score (PASI 75) at week 12 compared to placebo, and key secondary efficacy endpoints at all clinically relevant doses tested. Clear dose-dependent responses were observed, with the highest response rates and maximal TYK2 inhibition achieved at the highest dose of 40 mg twice daily (BID). At the 40 mg BID dose and at the 40 mg once daily (QD) dose, 64% and 56% of evaluable patients, respectively, achieved PASI 75 at week 12 compared to 0% for placebo.

Patients who completed the randomized placebo-controlled Phase 2 STRIDE trial were eligible to participate in the open label extension (OLE). In the OLE, 165 eligible patients were randomized; of these, 164 patients were assigned to receive either 40 mg BID or 40 mg QD (one patient was not dosed and was not included in the

population analysis). As shown in the figure below, as of the March 1, 2024 data cut, interim OLE data following 28 weeks of treatment in the extension period showed sustained increases in PASI response rates over time, with the majority of patients (93% of evaluable patients, 83% using a conservative modified non-responder imputation (mNRI)) achieving PASI 75 at the 40 mg BID dose, as well as a continued favorable tolerability profile. Maximal target inhibition at the 40 mg BID dose, confirmed by blood and skin biopsy biomarkers, translated into the highest response rates, as compared with substantially lower response rates at the 40 mg QD dose. Given the tolerability profile we observed at the highest dose in our Phase 2 program, we intend to advance that dose into Phase 3 pivotal clinical trials. We are also developing a once-a-day modified release formulation that we plan to have available at the time of market launch, if approved, or within the first year post approval. Data in the table below are presented both "as observed" (AO) and applying mNRI where patients who dropped out of the trial due to adverse event or inadequate response were assumed to be non-responders for all time points after study discontinuation, and for patients who dropped out of the trial for all other reasons the last observation was carried forward.

OLE ESK-001 40 mg BID Cohort
As Observed (AO) and modified Non-Responder Imputation (mNRI) Analyses



Note: The shaded column in the figure above represents a four-week period during which no treatment was administered (the washout period). mNRI: modified Non-Responder Imputation

These data suggest a differentiated profile of ESK-001 relative to first-generation TYK2 inhibitors. We plan to initiate our Phase 3 pivotal clinical trials in PsO in the second half of 2024. We are also evaluating ESK-001 in LUMUS, a Phase 2b clinical trial of ESK-001 for the treatment of patients with SLE, and in OPTYK-1, a proof-of-concept Phase 2a clinical trial in patients with Uveitis. We expect to report top-line results for these trials in 2026 and by the end of 2024, respectively.

Beyond our initial three ongoing clinical indications of ESK-001, we plan to leverage our large clinical and genetic datasets to prioritize future indications, such as psoriatic arthritis and gastrointestinal and other indications where we believe ESK-001 could be differentiated from existing therapies. We believe ESK-001 has the potential to address a broad range of immune-mediated diseases and unmet patient needs that represent substantial commercial opportunities. We identified TYK2 as our first target of interest and acquired ESK-001 via the FronThera Acquisition. See the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations and Commitments*" for additional information.

We have incorporated our learnings from ESK-001 to develop A-005, as a CNS-penetrant, allosteric TYK2 inhibitor with potential application in multiple sclerosis (MS) and other neuroinflammatory and neurodegenerative diseases. Our large proprietary genetic data set as well as scientific literature have shown that the naturally occurring TYK2 loss-of-function genetic variant has a protective effect in MS. In our

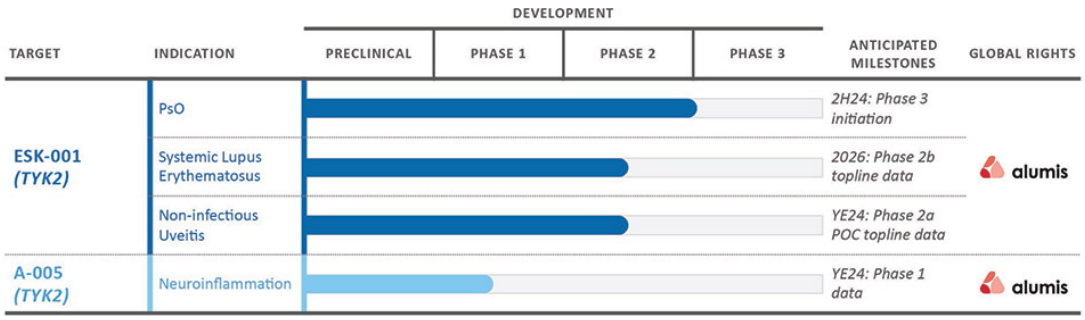
preclinical studies, A-005 has demonstrated protective effects in prophylactic and therapeutic *in vivo* EAE models of neuroinflammation. In April 2024, we initiated the first Phase 1 study of A-005 in healthy volunteers and expect to report initial results by the end of 2024.

We apply our precision approach to immunology by focusing on the key drivers of immune dysfunction. We have established and continue to uncover key genetic and translational insights to significantly impact clinical outcomes. Foundational to our approach is our proprietary precision data analytics platform, which combines our proprietary genetic, genomic and proteomic data, data from public third-party sources, and our management's own genomic insights, supported by the data analytics services we receive from Foresite Labs. Leveraging this platform allows us to potentially increase speed of development, probability of success and precision of therapy. We employ our insights and capabilities through every stage of development, always aiming to improve the likelihood of clinical success while achieving the best outcomes for patients. We believe our precision approach can bring forth advances in each of the following key areas:

- **Right target:** We select drug targets based on our understanding of their role in immune-mediated diseases in an effort to maximize clinical benefit and probability of success.
- **Right molecule:** We seek to design our molecules to achieve maximal target engagement and a favorable pharmacological profile, and to optimize tolerability.
- **Right indication:** We select indications based on weight of evidence and biological insights from our proprietary precision data analytics platform.
- **Right endpoint:** We seek to accelerate drug development and improve the clinical probability of success through selection of optimal clinical endpoints for our trials.
- **Right patient:** We gain insights from our proprietary clinical samples to identify patients that we believe are most likely to benefit from our therapies.
- **Right combinations:** We identify future combination strategies with the potential to break through efficacy limitations of existing therapies without broadly suppressing the immune system.

Our Pipeline

We are building a pipeline of molecules with the potential to address a broad range of immune-mediated diseases as monotherapy or combination therapies. Within our TYK2 franchise, we are developing our most advanced product candidate, ESK-001, an allosteric TYK2 inhibitor for the treatment of PsO, SLE and Uveitis. We are developing our second TYK2 product candidate, A-005, as a CNS-penetrant allosteric TYK2 inhibitor, to offer the therapeutic benefit of TYK2 inhibition within the CNS for a broad range of neuroinflammatory and neurodegenerative diseases.



Our Team

We have assembled an executive team of industry veterans experienced in small-molecule compound drug development for immune-mediated diseases. Our senior leaders bring together a wealth of scientific, clinical, business and commercial expertise in the biopharmaceutical industry. Many of our employees and executives previously worked together at Genentech, Roche, Principia and MyoKardia and have united to work together again. Collectively, our executives have contributed to the research, development, approval and commercial

launch of multiple drugs across several therapeutic areas, including Adbry, Avastin, Camzyos, Fasenra, Lucentis, Ocrevus, Rituxan, Saphnelo, Siliq, Tarceva, Tezspire, Uplizna, Xeljanz and Xolair. To date, we have raised more than $600 million and are backed by established blue-chip life science investors.

Our Strategy

Our mission is to significantly improve the lives of patients by replacing broad immunosuppression with targeted therapies. As our driving principle, we are using our precision approach focused on the important drivers of immune dysfunction. We use our key insights to pursue our mission of significantly improving outcomes for patients. We select drug targets that have been previously validated by strong human genetic evidence and human clinical data.

The core components of our business strategy include:

- ***Maximize the opportunity presented by ESK-001's differentiated pharmacological profile and breadth of potential indications.*** We believe that ESK-001 is a foundational asset that exemplifies our approach. Our Phase 2 clinical data in PsO provided strong clinical validation of our approach and set the stage for developing ESK-001 into a leading oral therapy in PsO. Beyond PsO, we continue to expand into additional indications. Genetic and biologic data generated to date highlight the important role of TYK2 inhibition across multiple diseases where we have current clinical programs (PsO, SLE, Uveitis) and future clinical ambitions. We intend to expand clinical development of ESK-001 to additional therapeutic areas and indications where TYK2 inhibition and our differentiated profile have the potential to deliver significant improvements for patients.
- ***Expand our TYK2 franchise with A-005, our allosteric TYK2 inhibitor selected to penetrate the CNS to treat neuroinflammation.*** There is strong biological rationale for the involvement of TYK2 in neuroinflammatory and neurodegenerative diseases, as well as compelling genetic evidence for the role of TYK2 in MS. As a result, we believe TYK2 inhibition has potential utility in various neuroinflammatory and neurodegenerative diseases, including MS, Alzheimer's disease, amyotrophic lateral sclerosis (ALS), optic neuritis, neuromyelitis optica and Parkinson's disease. Given the results of our preclinical data, which support the protective effect in prophylactic and therapeutic *in vivo* EAE models of neuroinflammation, we initiated the first-in-human trials of A-005 in April 2024.
- ***Discover and advance earlier-stage product candidates into clinical development.*** We intend to expand our pipeline of clinical-stage product candidates by identifying and developing earlier-stage assets. Utilizing our precision approach to address immune dysfunction, we have selected multiple additional targets to date, including interferon regulatory factor 5 (IRF5), across indications that are in various stages of development, from lead identification to lead optimization. These targets may enable development in a broad range of indications, either as a monotherapy or using a combination therapy approach with our TYK2 franchise.
- ***Leverage our precision approach to increase speed of development, probability of success and precision of therapy.*** We are using our proprietary precision data analytics platform that integrates key genetic and translational insights to optimize clinical outcomes. We leverage and implement these capabilities with the aim to design efficient and effective development paths at every stage of our pipeline. We believe this approach can bring forth transformative medications by following the science to inform the right target, right molecule, right indication, right patient, right endpoint and right combinations.
- ***Evaluate strategic collaborations to maximize the global impact of our product candidates.*** We plan to strategically evaluate potential partnerships to maximize the value of our lead programs and broader portfolio. We believe that our product candidates, indications, clinical data and data analytics make our company an attractive partner. Given our scientific expertise and significant therapeutic depth, and the broad addressable populations of our product candidates, the right partner could help us expand the breadth of indications we pursue and increase our commercial reach.

Our Precision Approach and Capabilities

Our driving principle is to deliver the right medicine to achieve the best possible clinical outcome. To realize that goal, we are using our precision approach to immunology focused on the important drivers of immune

dysfunction while relying on key genetic and translational insights, all with the aim of optimizing therapeutic outcomes for patients. We were incubated by Foresite Labs, LLC (Foresite Labs). Since our incubation, we have benefited from the services that Foresite Labs has provided to us using its data platform, which includes large, multi-modal data sets and mature, scalable, and proprietary tools from the world of statistical genetics and causal inference. Supported by Foresite Labs' data analytics capabilities, we have established our proprietary precision data analytics platform focused on immune-mediated diseases, enhanced with data from our own clinical studies and our own statistical tools, as well as data from public third-party sources. We believe that the application of insights from our internal efforts and public third-party data, combined with the services that we receive from Foresite Labs, may ultimately bring forth the most effective, transformative medications by optimizing the following design elements:

Right Target: *We select drug targets based on our understanding of their role in immune-mediated diseases in an effort to maximize clinical benefit and probability of success.*

We identify and select drug targets with strong human genetic evidence, utilizing our proprietary precision data analytics platform for immune-mediated diseases or with human clinical validation. We believe that drugs with indications supported by human genetics have twice the likelihood of success in Phase 2 and Phase 3 clinical development (as confirmed in King EA, Davis JW, Degner JF, PLoS Genet 15(12) (2019)).

- Our analysis of over 350 immune-relevant genome-wide association study (GWAS) results from both the public domain and the UK Biobank biomedical resource identified TYK2 as the right therapeutic target. These studies include GWAS of susceptibility to immune-mediated diseases and immunologically relevant laboratory values and biomarkers.

For example, the identification of a loss-of-function mutation in the TYK2 gene appears to be protective against an array of immune-mediated disorders. Loss of kinase function, as consistent with the mode of action of ESK-001 and A-005, does not appear to significantly increase susceptibility to serious infections or malignancy. In contrast, mutations that lead to complete loss of TYK2 protein expression have been associated with severe immunodeficiency. Our insights regarding the role of TYK2 in disease, as well as the effectiveness of TYK2 inhibition in preventing inducible disease and ameliorating established disease in various models, led to our selection of TYK2 as the foundational program in our efforts to treat immune-mediated diseases.

Right Molecule: *We seek to design our molecules to achieve maximal target engagement and a favorable pharmacological profile, and to optimize tolerability.*

- Our lead generation efforts are enabled via a combination of high throughput screening technologies and in-house *in silico* screens. We utilize our proprietary precision data analytics platform and modern Artificial Intelligence (AI)- and Machine Learning (ML)-based methods to guide molecular designs.
- We further refine our molecular designs using a combination of traditional structure-guided approaches from proprietary crystallographic structures and advanced computational methods.
- Early in our development efforts, we apply medicinal chemistry, biochemistry, cellular biology and pharmacology to define the pharmacokinetic (PK) and pharmacodynamic (PD) relationship, to maximize target inhibition, and to reach the relevant compartments of the body.

For example, while we selected ESK-001 as our lead product candidate by acquiring it in the FronThera Acquisition, we designed A-005 utilizing our proprietary precision data analytics platform and AI- and ML-based methods to maximize target coverage within the CNS by crossing the blood brain barrier, and to directly interrupt the neuroinflammatory and neurodegenerative processes where they occur, with the aim of providing maximal benefit to patients.

Right Indication: *We select indications based on weight of evidence and biological insights from our proprietary precision data analytics platform.*

We utilize our proprietary precision data analytics platform and advanced multi-trait statistical methods to evaluate and establish the strength of genetic associations across identified indications of interest.

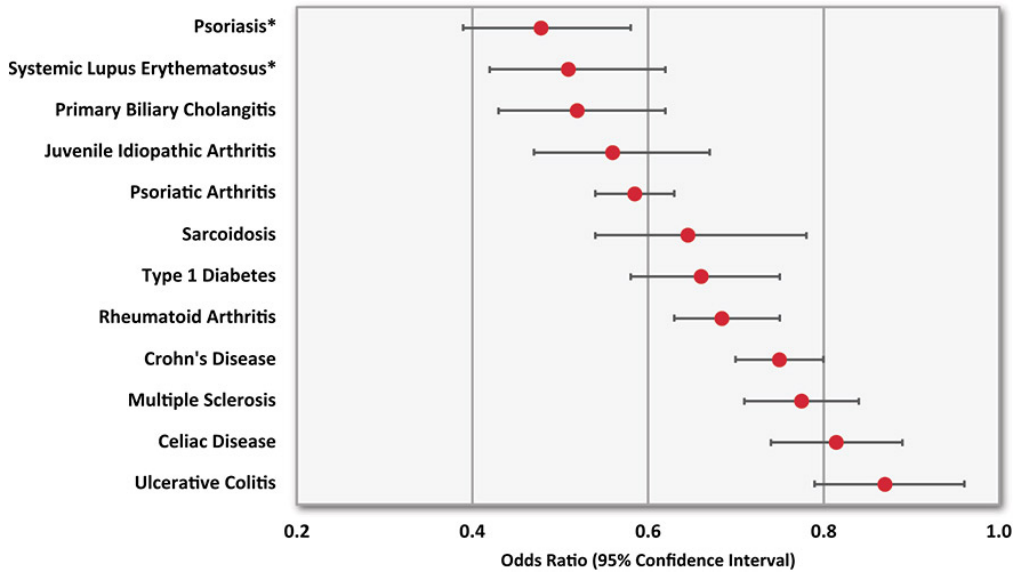
- We apply proprietary statistical methods to establish the causality of genetic variants with complex phenotypes via novel adaptations of the Mendelian Randomization method.

- We implement advanced multi-trait statistical methods to simultaneously evaluate the strength of genetic associations across multiple indications with a target of interest and to identify therapeutic opportunities based on novel associations.

For example, we are pursuing and may pursue indications for our TYK2 franchise that are underpinned by phenotypic-genotypic links or known clinical proof-of-concept data in adjacent pathways, including PsO, SLE, psoriatic arthritis (PsA), Crohn's disease (CD), multiple sclerosis (MS) and ulcerative colitis (UC), and the other indications listed in the figure below.

In addition to CD, UC, and PsA, our analysis of the protective effect associated with the human loss-of-function variant P1104A has identified additional potential future indications of interest for ESK-001, including primary biliary cholangitis, juvenile idiopathic arthritis, sarcoidosis, Type 1 diabetes, rheumatoid arthritis, and celiac disease.

Association of TYK2 P1104A Loss-of-Function Variant with Immune-Mediated Diseases



* Current indication.

Note: Forest plot of immune-mediated indications associated with TYK2 loss-of-function variant P1104A. Point estimates below 1 suggest protection against disease while point estimates above 1 suggest susceptibility to disease, with points furthest away from "1.0" indicating highest level of association. Given the protective effect associated with the human TYK2 loss of function variant, all of the remaining indications listed above are potential future indications of interest for ESK-001 and A-005.

Right Endpoint: *We seek to accelerate drug development and improve the clinical probability of success through selection of optimal clinical endpoints for our trials.*

- We survey external data to help us select optimal clinical endpoints for our trials. For example, we carefully analyzed data from recent pivotal trials in SLE to support selection of the primary endpoint for our LUMUS trial and to minimize the variability and high placebo response rates that have been common causes of failure in SLE trials.
- We select endpoints that are clinically meaningful, that are appropriate to the stage of development and that enable expeditious advancement into the next stage of development.
- We aim to link genetic and biological markers to clinical outcome measures to help identify those patients most likely to respond to our medicines in subsequent stages of development.

For example, we selected a 12-week primary endpoint in our Phase 2 STRIDE trial, which enabled us to benchmark against competitors and make a rapid Go-to-Phase 3 decision. We also included an OLE to better define peak efficacy and long-term safety.

Right Patient: *We gain insights from our proprietary clinical samples to identify patients that we believe are most likely to benefit from our therapies.*

- In our interventional studies, we seek to uncover patient selection and stratification criteria by pairing advanced data analytics and ML methods with extensive biomarker profiling across multiple timepoints, including high-dimensional genetics, genomics and proteomics together with functional immune-cell-profiling techniques.

For example, in our Phase 1 clinical trial of ESK-001, we identified a novel biomarker of TYK2 activity. Taking this insight into our Phase 2 STRIDE trial, we have demonstrated a clear dose-dependent inhibition of this novel biomarker, achieving maximal inhibition at the higher doses, and a profile closely aligned with our Phase 1 and preclinical datasets. We plan to further test this novel biomarker's ability to differentiate patient responses in PsO, SLE and Uveitis.

Right Combinations: *We identify future combination strategies with the potential to break through efficacy limitations of existing therapies without broadly suppressing the immune system.*

- Existing immunological therapeutics continue to confront limitations of their efficacy in some diseases, such as rheumatoid arthritis and Crohn's disease. One potentially promising path to breaking through these efficacy barriers is to utilize the right combinations of precise agents that separately target specific immune pathways and can be safely administered together without broadly suppressing the immune system.
- We developed an internal biology platform using multiplexed immune cell assays and *in vivo* models. We utilize *in silico* techniques for predicting genetic signatures of drug response using advanced polygenic risk score methodologies. We utilize *in silico* interaction modelling to predict therapeutic combinations that are likely to be complimentary and/or synergistic with respect to efficacy.

For example, we believe ESK-001 has significant potential as a future combination therapy due to its pharmacological profile with low risk of drug interactions and highly predictable PK profile in humans. We aim to develop additional therapeutics that may be complimentary to our TYK2 inhibitors and to each other, opening up the future potential of combination therapy.

Immune Dysfunction Overview

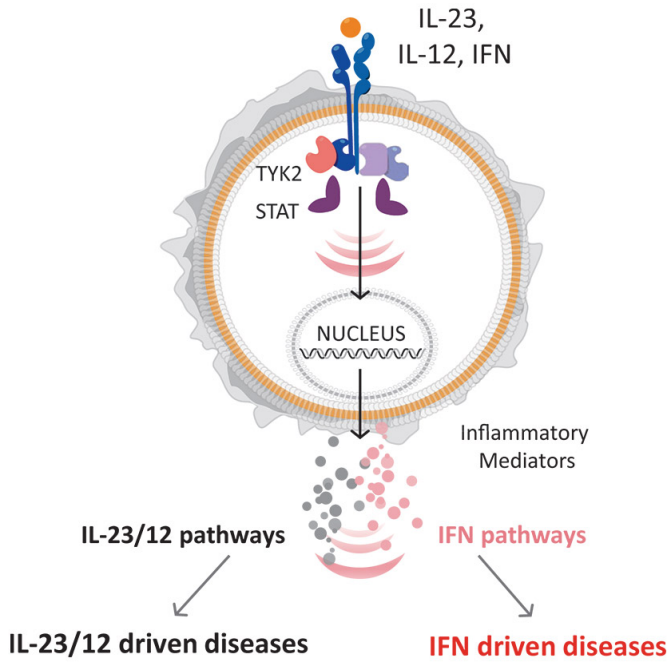
The immune system is a highly regulated and balanced system that has evolved to protect us from infection, recognize and neutralize harmful agents from the environment and fight disease. Dysfunctional immune responses, whether directed towards self or non-self or through unbalanced activation or regulation, can lead to inflammation, allergy, autoimmunity and development of chronic immune-mediated diseases. We are building immune insights from patient samples, incorporating genetic, genomic and proteomic learnings, and translating preclinical findings in an effort to therapeutically target dysfunctional immune mechanisms to improve outcomes for patients with immune-mediated diseases.

Role of TYK2 in Immunology

TYK2 is an intracellular tyrosine kinase protein within the broader Janus kinase (JAK) family shown to play an essential role in mediating cytokine receptor signaling pathways in both innate and adaptive immunity, as shown in the figure below. Cytokines are a group of proteins in the body that play an important role in boosting the immune system. TYK2 associates with a defined set of cytokine receptors expressed primarily on immune cells, such as IL-23, IL-12 and type I interferon (IFN) receptors, distinct from other JAK family members. TYK2 functions to relay signals into the cell through phosphorylation of signal transducing and activators of transcription (STATs), to initiate a cascade of protein-signaling interactions resulting in cytokine-responsive gene transcription and cell activation, which drives downstream immune responses including Th17, IL-17 pathways, and type I IFN responsive genes that are known drivers of inflammation and immune mediated disease. Therapeutic inhibition of TYK2 and associated cytokine pathways, in particular IL-23/ IL-17 and type I IFN, have been broadly validated to address immune dysfunction in immune-mediated diseases, such as psoriasis, psoriatic arthritis and SLE. TYK2 is expressed in circulating and tissue-resident immune cells, and is also active in CNS-resident immune cells, such as microglia, which are thought to play a key role in neuroinflammation.

Human genetic studies of TYK2 strongly validated it as a therapeutic target. An identified loss-of-function mutation (P1104A) in the TYK2 gene, present in approximately 3% to 5% of European populations, is protective against an array of immune-mediated disorders, including SLE, psoriasis, sarcoidosis, psoriatic arthritis, inflammatory bowel disease and neuroinflammatory and neurodegenerative conditions, such as MS. Importantly, this TYK2 variant does not appear to significantly increase susceptibility to serious infections. We believe that TYK2 inhibition as a targeted therapy may have an improved risk to benefit profile as compared to broad immune suppression.

TYK2 Associated Pathway and Downstream Cytokines



Overview of the TYK2 Landscape

TYK2 inhibition has the potential to treat multiple immune-mediated diseases. The FDA's approval of deucravacitinib (marketed as Sotyktu) in 2022, with labeling enabling its use as first-line therapy without any boxed warnings, highlights the appeal of TYK2 inhibition for the treatment of immune-mediated indications driven by IL-23 and IFN. Current first-generation allosteric TYK2 inhibitors include Sotyktu and TAK-279. However, first-generation allosteric TYK2 inhibitors have not been able to achieve complete TYK2 inhibition to date, limiting their otherwise promising therapeutic potential. The approved dose of Sotyktu of 6 mg QD, while safe and effective in psoriasis, provides only partial target coverage. In Phase 2 clinical trials of Sotyktu, higher doses, such as 6 mg BID or 12 mg QD, showed incremental improvements in several outcome measures of psoriasis and psoriatic arthritis. However, these higher doses were associated with the occurrence of skin rashes in up to 9% of patients.

Similar results were observed with TAK-279, where cutaneous adverse events (AEs) (e.g., acne and acneiform dermatitis) were reported at higher dose levels. The mechanisms causing these skin rashes are not known.

TYK2 inhibition represents a breadth of opportunity, and there have been or are ongoing clinical trials of TYK2 inhibitors in multiple indications such as psoriatic arthritis, SLE, cutaneous lupus, alopecia areata, Sjogren's disease, vitiligo, Crohn's disease and ulcerative colitis.

Our TYK2 Franchise

ESK-001: Our Allosteric TYK2 Inhibitor

ESK-001 is a potent, highly selective, allosteric TYK2 inhibitor. We believe that ESK-001 may potentially overcome the limitations of first-generation allosteric TYK2 inhibitors by achieving maximal target inhibition without causing dose limiting safety or tolerability issues. We believe this will result from optimized physicochemical properties, favorable and highly predictable PK, and lack of significant drug interactions.

Key Differentiating Features

We believe ESK-001 is differentiated from first-generation TYK2 inhibitors for the following reasons:

- **Intrinsic Selectivity and Preclinical Pharmacology**. Due to ESK-001's design as an allosteric inhibitor, the molecule is both potent and intrinsically selective for TYK2 over other protein kinases, including the related JAK family members. No JAK-related pharmacology has been observed with ESK-001 to date. ESK-001 is supported by a preclinical study in which no clinically limiting findings were observed. By contrast, skin rashes requiring treatment were observed in preclinical toxicology studies of Sotyktu.
- **Optimized Molecular Properties and PK**. At the core of ESK-001's differentiation from other clinical-stage allosteric inhibitors of TYK2 are its physicochemical properties that we believe impart highly desirable drug-like features. ESK-001 is highly permeable with low efflux resulting in high and rapid systemic absorption and favorable tissue distribution *in vivo*. These properties result in its highly predictable, linear PK profile in humans with low variability. In addition, ESK-001 has a desirable half-life in humans of approximately 8 to 12 hours and we have not observed any concerns for drug-drug interactions with other therapies.
- **Maximal Target Inhibition.** ESK-001 demonstrated a robust and predictable PK/PD relationship in Phase 1 studies, enabling the identification of a dose level that achieved maximal TYK2 inhibition for 24 hours a day to take into Phase 2 clinical trials. A clear dose-dependent inhibition of TYK2 markers was observed across the dose range in healthy volunteers, with maximal inhibition observed at the 40 mg BID dose and aligned with trough ESK-001 exposures above the whole blood IC90 level throughout the dosing period. We define maximal inhibition as reaching the plateau of biological inhibition in the assay readout with no further impact seen with higher drug concentrations. At the 40 mg BID dose, maximal TYK2 inhibition was confirmed in healthy volunteer and PsO patient blood samples by RNA-seq analysis, and a return to non-lesional baseline levels of TYK2 pathway (including IFN signature, IL-23, IL-17) and PsO-relevant disease biomarkers was confirmed in PsO patient skin biopsies.
- **Clinical Tolerability.** There have been no clinically limiting findings across our clinical trials to date that prevent ESK-001 from being dosed to achieve maximal target inhibition. In contrast to what has been reported with first-generation allosteric TYK2 inhibitors, skin rashes have been observed at much lower frequency with ESK-001 to date, even at very high and sustained levels of target inhibition, suggesting that skin toxicities may not be an on-target, class effect of TYK2 inhibitors.

Strategic Indication Selection

TYK2-mediated cytokine signaling is involved in a broad range of immune-mediated diseases. TYK2 loss-of-function mutations have been shown to be protective for several conditions including psoriasis, psoriatic arthritis, Crohn's disease, ulcerative colitis and multiple sclerosis. Therefore, ESK-001 has the potential to provide benefit in a large number of indications. We have selected PsO, SLE and Uveitis as our initial indications. TYK2 has strong validation as a therapeutic target in PsO, and it provides an opportunity for ESK-001 to be benchmarked against in-class competitors, testing the hypothesis that higher degrees of target inhibition result in improved clinical outcomes. The evidence that TYK2-mediated pathways play a key role in disease pathogenesis is similarly strong in SLE: a biologic targeting the type I IFN receptor is approved in SLE, the protective effect of certain loss-of-function mutations of TYK2 is of similar magnitude as in PsO, and a third-party Phase 2 clinical trial of Sotyktu in patients with active SLE met its primary and secondary

endpoints. The unmet need for safe and efficacious oral therapies remains high in SLE. Uveitis is a common manifestation of several immune-mediated diseases associated with dysregulation of TYK2 mediated cytokine pathways, including psoriatic arthritis, sarcoidosis, and inflammatory bowel disease. There is an unmet need for safe and effective systemic therapies in patients with Uveitis not responding to topical therapies. ESK-001 has demonstrated its ability to penetrate into ophthalmic tissues in a preclinical study using radiolabeled drug substance (QWBA). Our proof-of-concept Phase 2a clinical trial in Uveitis also incorporates extensive biomarker sampling, including vitreous humor collection to characterize intraocular exposure to ESK-001, pharmacodynamic response, and to identify potential biomarkers associated with clinical response. Across our initial and potential future indications, we estimate there are 22 million patients worldwide (approximately 11 million across our current clinical indications, including PsO, SLE and Uveitis, and approximately 11 million patients across potential future indications).

Combination Potential

Despite significant advances in the treatment of immune-mediated disease, in many diseases, only a minority of patients achieve disease remission or nearly complete response with current therapies. Because of the complexity, overlap and redundancy of inflammatory pathways, combination approaches targeting complementary pathways may be needed to achieve high-hurdle endpoints such as remission. We believe that ESK-001's pharmacological properties, including its lack of drug-drug interaction potential and its clinical profile positions it well as a partner for future combination therapies.

ESK-001 for the treatment of PsO

Psoriasis Overview

Psoriasis is a chronic immune-mediated skin disease characterized by abnormal epidermal growth, usually presenting as red, scaly patches, papules or plaques (plaque psoriasis). Patients with psoriasis are also at increased risk of developing other co-morbid conditions, such as cardiovascular disease, obesity, insulin resistance, uveitis and thyroid dysfunction. Up to 40% of psoriasis patients develop inflammatory arthritis (psoriatic arthritis) that leads to joint destruction and disability. According to the World Health Organization, psoriasis significantly impacts quality of life—physical and emotional challenges of disfiguration, low self-esteem, loss of productivity and depression.

Plaque psoriasis impacts over 7.7 million people in the United States (and over 16 million people globally), with an annual growth rate of ~1%. Over 60% of these people have PsO, and over 97% of PsO patients are drug treated. PsO impacts over 4.7 million people in the United States.

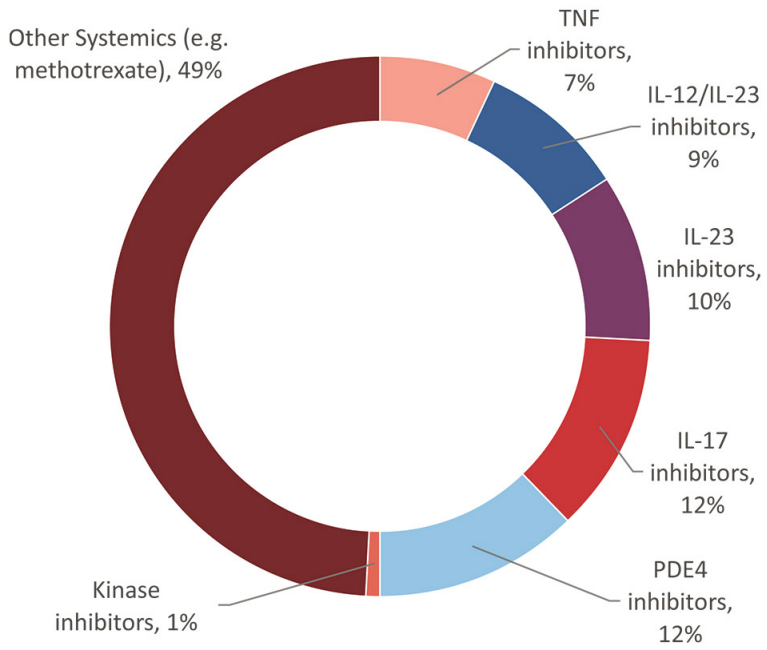
The pharmaceutical drug market for plaque psoriasis is approximately $14 billion in the United States in 2023 (and over $17 billion globally), and is forecasted to increase substantially, to over $20 billion in United States by 2030 (and over $25 billion globally) due to the increase in the psoriasis patient population and the development of new therapies.

Targeted biologic therapies have demonstrated robust efficacy in PsO, but are burdensome for patients and physicians. Many patients wish to start or continue with oral medication to avoid the burden of injectable biologics. Biologics targeting the IL-23/IL-17 inflammatory pathways have achieved PASI 75 in more than 80% of treated patients. In the last decade, the FDA has approved two advanced oral therapies for PsO in the United States, Otezla (apremilast) and Sotyktu (deucravacitinib). PASI-75 response rates for either oral agent have been lower than those observed with biologic treatments targeting IL-23 or IL-17.

Sotyktu, an oral TYK2 inhibitor, was approved by the FDA in 2022 for the treatment of PsO. In the two Sotyktu placebo-controlled Phase 3 studies, POETYK PSO-1 and POETYK PSO-2, the efficacy of Sotyktu at Week 16 was found to be superior to apremilast, with a 75% reduction in PASI score (PASI 75) achieved in 58% and 53% of patients, respectively, in the Sotyktu arm and 35.1% and 39.8%, respectively, in the apremilast arm. Sotyktu response was maintained through 52 weeks (82% of patients who achieved PASI 75 at Week 24 maintained it through 52 weeks). Sotyktu was well tolerated and had a similar safety profile in both studies, with no evidence of AEs associated with JAK inhibition. Notwithstanding these results, Sotyktu did not

achieve complete inhibition of TYK2 throughout the dose interval. As a result, we believe there is an unmet medical need for an oral therapy that is safe and can provide biologic level efficacy for patients with PsO. We believe ESK-001, if approved, would offer a well-tolerated, alternative oral treatment option.

PsO Patient Share: Systemic Therapies



Rationale for Targeting TYK2 in the Treatment of PsO

As discussed above, the loss-of-function mutations of TYK2 confer strong protection from the development of PsO. Our internal analyses estimate that carriers of the TYK2 P1104A variant have a two-fold reduced risk of developing disease throughout the course of their lifetime.

The TYK2 inhibitor class emerged as a potentially safe and effective option for the treatment of PsO. Recent data from a Phase 2 dose-ranging placebo-controlled clinical trial of TAK-279, an allosteric TYK2 inhibitor, demonstrated a safety and efficacy profile similar to Sotyktu, with a greater proportion of patients achieving PASI 100 or sPGA0 at the 30 mg (highest) dose of TAK-279. Neither Sotyktu nor TAK-279 achieved complete inhibition of TYK2 throughout the dose interval in their Phase 2 PsO trials. Our Phase 2 STRIDE trial of ESK-001 is the first trial to test the hypothesis that higher degrees of target inhibition result in improved clinical outcomes without incurring safety or tolerability liabilities.

Our Phase 2 Program of ESK-001 in PsO

Our Phase 2 program is composed of STRIDE, a randomized, double-blind, placebo-controlled Phase 2 clinical trial in patients with PsO, and an open-label extension (OLE) trial in patients who completed our STRIDE trial. For our Phase 2 STRIDE trial, we selected a 12-week primary endpoint, which enabled us to benchmark against competitors and make a rapid Go-to-Phase 3 decision. We also included the OLE to help better define peak efficacy and long-term safety. The doses were selected to evaluate the safety, tolerability and efficacy of the full range of target inhibition.

Our Phase 2 STRIDE trial assessed the clinical efficacy, safety, PK and PD of ESK-001 compared to placebo. The trial enrolled 228 patients with PsO, demographically well-balanced across the six cohorts. Male and female patients ages 18 to 75 years old were randomized equally across six trial arms (approximately 35 patients per arm) to receive oral doses of ESK-001 at one of five dose levels (10 mg QD, 20 mg QD, 40 mg QD, 20 mg BID or 40 mg BID) or placebo. Key inclusion criteria were a baseline Psoriasis Area and Severity Index

(PASI) score of at least 12, static Physician Global Assessment (sPGA) of at least 3, and body surface area (BSA) of at least 10%. Randomization was stratified by prior use of biologics and geographic region.

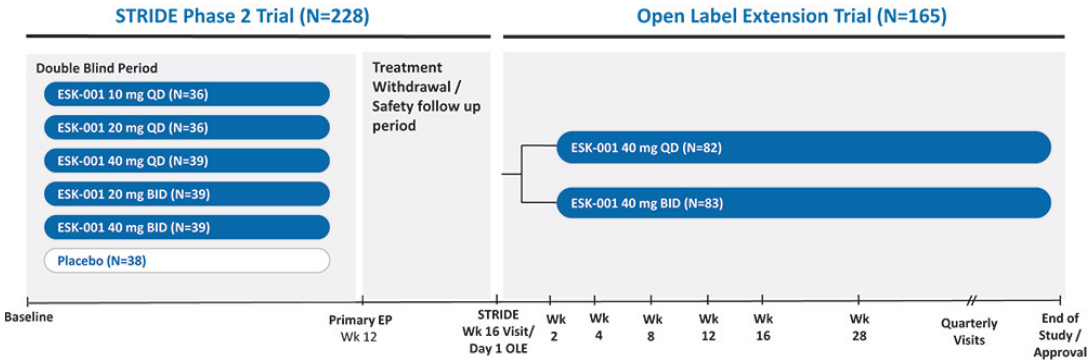
The primary endpoint of the trial was the proportion of patients achieving at least 75% improvement in PASI score at 12 weeks compared to placebo. Secondary objectives included additional efficacy evaluations, safety and tolerability and PK characterization of ESK-001.

Secondary endpoints included the proportion of patients achieving an sPGA score of "0" ("cleared") or "1" ("minimal"), PASI 50, PASI 90 and PASI 100 after 12 weeks of treatment compared with placebo, the change from baseline in percent body surface area (BSA) and Dermatology Life Quality Index (DLQI) after 12 weeks of treatment compared with placebo, the incidence of Treatment Emergent Adverse Events (TEAEs) and Serious Adverse Events (SAEs), plasma concentrations and PK parameters of ESK-001.

The trial included a screening period of approximately four weeks. The treatment period of 12 weeks was followed by a safety follow-up period, also referred as the washout period, of four weeks during which the patients remained off drug. Eligible patients were then offered the opportunity to participate in the OLE trial following completion of the end-of-trial visit at Week 16. During the OLE trial, patients were assigned to receive ESK-001 at a dose of either 40 mg QD, which provides high but incomplete target inhibition, or 40 mg BID, which provides maximal target inhibition throughout the entire day.

Primary endpoint analyses were based on the intent-to-treat (ITT) approach. The primary endpoint analysis compared the proportion of patients in the active treatment groups with at least 75% improvement in PASI at Week 12 relative to baseline to placebo using the Cochran-Mantel-Haenszel test. A schematic representation of our Phase 2 STRIDE trial and OLE is shown in the figure below.

STRIDE and OLE Design Schema



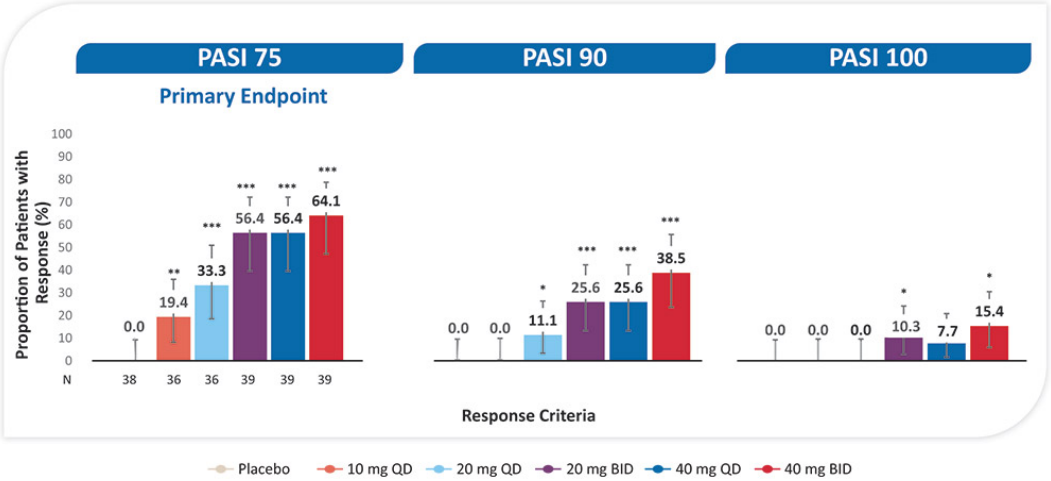
Results From Our Completed Phase 2 STRIDE Trial

The baseline characteristics of the 228 patients enrolled in the trial were the following: mean age 48 years, 68% male, median disease duration 17.9 years, 40% with prior exposure to biologics or JAK inhibitors, and mean PASI score of 17.8. The proportion of sPGA score 3, 4, or 5 was 59%, 38% and 3%, respectively, and the mean BSA was 21%. Baseline characteristics were generally well balanced among all treatment arms. The baseline skin scores, duration of the disease and percent of patients previously treated with biologics indicated that it was a patient population with long-standing active disease. In our Phase 2 STRIDE trial, 204 patients completed the trial—90% of patients in the active treatment groups completed the trial, compared to 87% in the placebo group.

Our Phase 2 STRIDE trial achieved its primary endpoint at all dose levels with a clear dose response. Compared to placebo, a meaningfully greater proportion of patients treated with ESK-001 at all doses showed PASI 75 response rates at Week 12. All secondary endpoints were met at the higher dose levels. PASI 90 responses were significantly higher than placebo at doses of 20 mg QD and above, and PASI 100 response rates were significantly higher than placebo at doses of 20 mg BID, 40 mg QD and 40 mg BID. For the highest dose of 40 mg BID, PASI 75, PASI 90 and PASI 100 response rates were 64%, 39% and 15% respectively, compared to 0% in the placebo group. PASI responses at Week 12 are shown in the first figure below. There

were statistically significant differences at Week 12 among patients treated with ESK-001 at doses of 40 mg QD and above relative to placebo in achieving sPGA 0/1, PASI 90 and sPGA 0 (nominal p<0.05), with the highest response observed in the ESK-001 40 mg BID arm. sPGA responses over time are shown in the second figure below. PASI response did not appear to reach a plateau at week 12 and remained on an upward trajectory. PASI response was similar in biologic-naïve and biologic-experienced patients. Treatment with ESK-001 resulted in more patients achieving improvement in quality of life (measured by Dermatology Life Quality Index, DLQI) relative to placebo-treated patients. As shown in the table below, 64% of patients achieved DLQI 0/1 (indicating no or minimal impact on quality of life) at 40 mg BID ESK-001 compared to 18% in the placebo arm. Pruritus (itch) as assessed by the Pruritus Numerical Rating Scale (NRS) also showed significant improvement in a dose dependent manner.

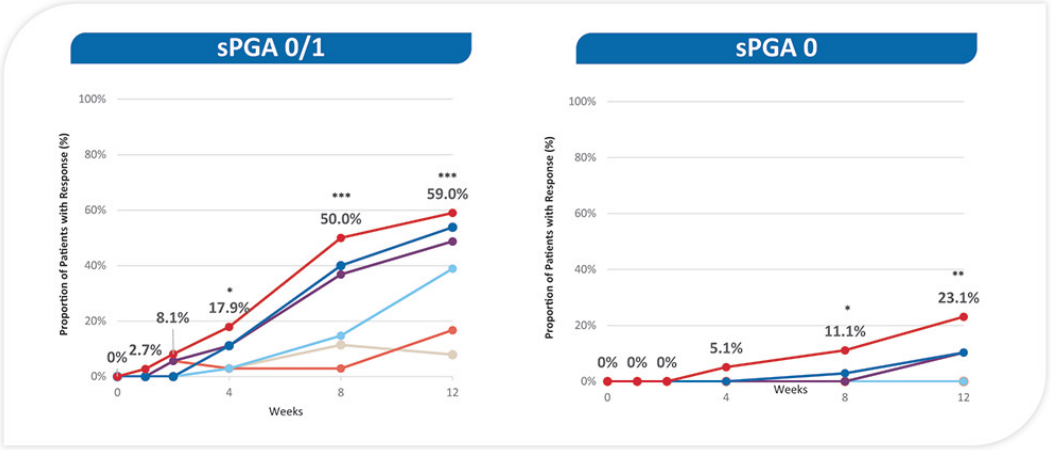
STRIDE Trial PASI Responses at Week 12



*p<0.05; **p<0.005; ***p<0.001.

Note: P-value is comparing proportion in each active arm vs placebo using the Cochran-Mantel-Haenszel test adjusted for stratification factors (prior use of biologics and geographic region (North American vs. ROW)). NRI imputation was applied for subjects who discontinued study.

STRIDE Trial sPGA Responses Over Time



*p<0.05; **p<0.005; ***p<0.001.

Note: P-value is comparing proportion in each active arm vs placebo using the Cochran-Mantel-Haenszel test adjusted for stratification factors (prior use of biologics and geographic region (North American vs. ROW)). NRI imputation was applied for subjects who discontinued study.

STRIDE Trial Patient Reported Outcomes: DLQI and Pruritus NRS at Week 12

	DLQI-0/1* (% patients)	Pruritus NRS, On Average**	Pruritus NRS, At Worst**
Placebo	18.4	-0.8	-0.97
40 mg BID	64.1	-4.9	-5.09
40 mg QD	48.7	-4.3	-4.58
20 mg BID	51.3	-3.7	-4.05
20 mg QD	33.3	-2.9	-2.62
10mg QD	27.8	-2.3	-2.69

* Proportion of patients achieving DLQI-0/1 at Week 12 primary endpoint

** Mean change from Baseline to Week 12 in pruritus NRS (scored 0-10: severity of itch, on average or at worst, within the past 24 hours)

ESK-001 was generally well-tolerated. During the randomized, placebo-controlled portion of the trial, 40% of patients in the placebo group and 50% of patients in the combined active treatment groups reported AEs, the majority of which were mild to moderate. One patient experienced a SAE in the 10 mg QD group (lower limb fracture). No SAEs were considered related to ESK-001. No AEs typically associated with JAK inhibition (e.g., Major Adverse Cardiovascular Events, cytopenias, treatment related thromboses) were observed. The most common AEs reported by patients across the active arms were headaches, upper respiratory tract infections, and nasopharyngitis. Five patients (3%) treated with ESK-001 discontinued treatment due to AEs. Treatment with ESK-001 resulted in no clinically significant changes from baseline in mean values of lipid levels, blood counts, serum levels of liver enzymes, creatinine, ECG results or vital signs. AEs collected through the end of the study (Week 16) are summarized in the table below including the most frequent TEAEs (in three or more patients) observed in any active treatment arm.

Summary of Adverse Events in our Phase 2 STRIDE Trial

	Placebo (N=38)	10 mg QD (N=36)	20 mg QD (N=36)	20 mg BID (N=39)	40 mg QD (N=39)	40 mg BID (N=39)	Overall (N=227)
Subjects with ≥1 TEAE	15 (39.5)	19 (52.8)	14 (38.9)	18 (46.2)	19 (48.7)	25 (64.1)	110 (48.5)
Subjects with ≥1 SAE	0	1 (2.8)	0	3 (7.7)	1 (2.6)	0	5 (2.2)
Subjects with treatment related SAEs	0	0	0	0	0	0	0
Deaths	0	0	0	0	0	0	0
Subjects with TEAE leading to treatment discontinuation	0	0	2 (5.6)	0	2 (5.1)	1 (2.6)	5 (2.2)
Most frequent TEAEs*							
Headache	2 (5.3)	0	2 (5.6)	3 (7.7)	4 (10.3)	3 (7.7)	14 (6.2)
Upper resp. tract infection	0	2 (5.6)	2 (5.6)	1 (2.6)	2 (5.1)	3 (7.7)	10 (4.4)
Nasopharyngitis	3 (7.9)	2 (5.6)	0	1 (2.6)	1 (2.6)	3 (7.7)	10 (4.4)

Preliminary Results from the Ongoing OLE Trial

The randomized, placebo-controlled portion of our Phase 2 program was followed by an ongoing OLE, which we designed to evaluate the safety and efficacy of long-term treatment with ESK-001 in patients with PsO. As is typical for open label extensions, the ongoing OLE was not powered for statistical significance. Patients who

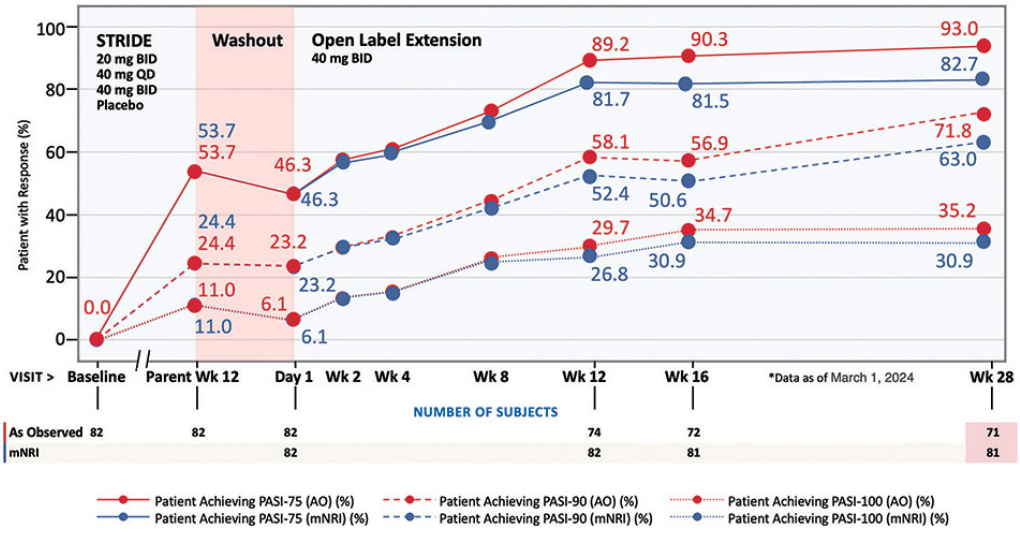
completed the randomized placebo-controlled part of the trial were eligible to participate in the OLE, and 95% of all eligible patients opted to participate. Treatment relevant baseline characteristics and clinical response rates at week 12 were similar between the overall STRIDE population and the subset enrolled in the OLE. Patients in the Czech Republic (25) did not participate in the OLE because local regulatory requirements would not have been consistent with the global protocol and five patients did not meet the OLE inclusion criteria.

Patients were assigned to receive oral doses of ESK-001 at one of two open-label dose levels (40 mg QD or 40 mg BID). Patients, investigators and site staff remained blinded to the treatment assignment in the parent trial. As of March 2024, we amended the protocol to provide that all patients are to receive the 40 mg BID dose going forward as we determined this dose to represent the optimal risk benefit.

Interim results from the OLE are presented below and represent a data cut as of March 1, 2024 by which all patients in the study had reached 28 weeks of treatment. Data are presented both "as observed" (AO) and after applying a modifed non-responder imputation (mNRI) where patients who discontinued study due to adverse event or inadequate response were imputed as non-responders for all time points after study drug discontinuation, and for patients who discontinued study for all other reasons the last observation was carried forward. mNRI analysis is performed only for those time points where all patients on study have reached at the time of the data cut. Additional data cuts will be generated in the future as the study progresses. We expect PsO OLE data updates in the fourth quarter of 2024 and also in 2025.

As shown in the figure below, as of the March 1, 2024 data cut, PASI 75, PASI 90 and PASI 100 responses continued to increase over time such that by Week 28 of the OLE, in the AO group over 90% of patients had achieved PASI 75, over 70% had achieved PASI 90 response, and 35% had achieved PASI 100 based on AO data. This data confirms the dose-dependence relationship observed in our Phase 2 STRIDE trial, with the highest response rates and maximal TYK2 inhibition achieved at the highest dose of 40 mg BID.

OLE ESK-001 40 mg BID Cohort
As Observed (AO) and modified Non-Responder Imputation (mNRI) Analyses

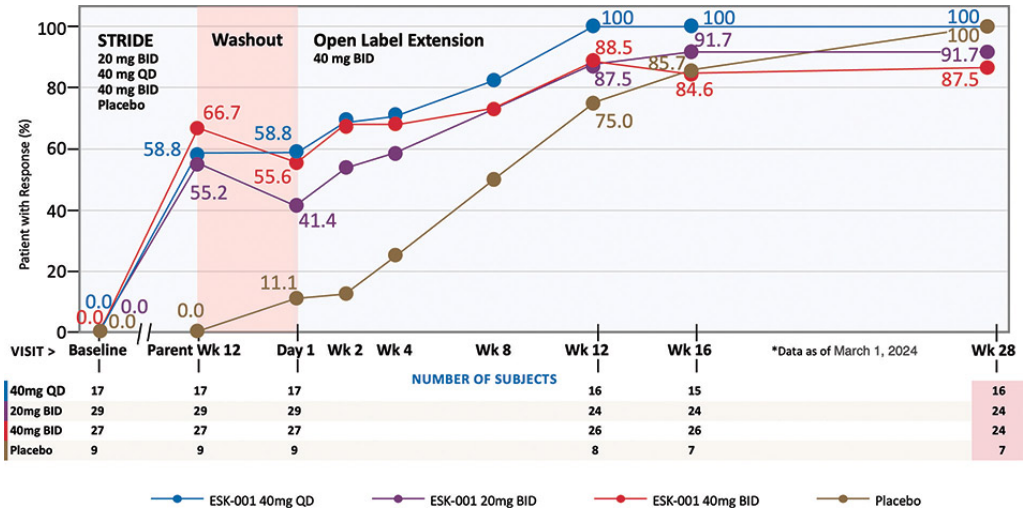


mNRI: modified Non-Responder Imputation

In order to better assess the potential impact of ESK-001, excluding the washout period, we analyzed the PASI 75 response rates by parent study dose for patients rolling into the 40 mg BID OLE cohort (see figure below). This analysis revealed that patients reached very high proportions of PASI 75 responses irrespective of which dose they were assigned to in the randomized controlled parent study. Focusing on the PASI 75 response rates of patients who initially received placebo in the parent study treatment cohort demonstrates that these

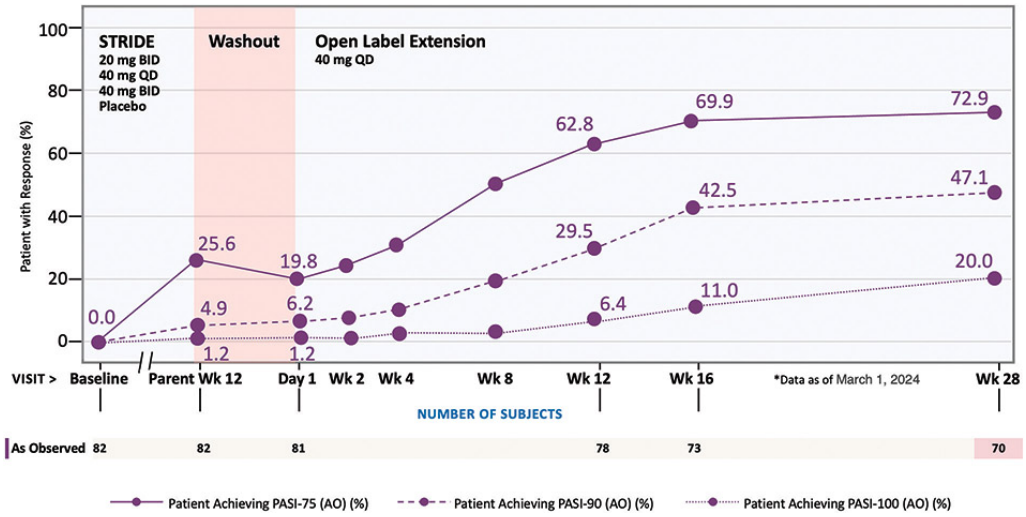
patients were able to achieve PASI 75 score of 75% by week 12, 86% by week 16 and 100% by week 28 of the OLE trial. This demonstrates ESK-001's ability to deliver sustained increases in PASI responses over time, particularly beyond week 12.

As Observed PASI 75 Responses for the 40 mg BID Cohort in the OLE by Parent Study Dose



To compare the clinical outcome of maximal vs. incomplete TYK2 inhibition, patients in the second cohort in the OLE trial were assigned to receive a lower dose (40 mg QD), which provides high but incomplete TYK2 inhibition. Patients who received this lower dose also had increasing response rates over time, up to 73% at week 28 of the OLE trial. However, peak response rates were substantially below those observed with the 40 mg BID dose, demonstrating that maximal inhibition of TYK2 throughout the entire dose interval is essential to achieve optimal efficacy.

As Observed PASI Responses in the OLE 40 mg QD Cohort



ESK-001 continued to be well tolerated at both doses in the OLE. A summary of the adverse events as of the March 1, 2024 data cut is shown in the table below including the most frequent TEAEs (in three or more patients) observed in any treatment arm. The proportion of patients reporting any treatment-emergent AE was 50% in the 40 mg QD group, and 55% in the 40 mg BID group. The most common AEs were upper respiratory tract infections, nasopharyngitis and headaches.

Summary of Treatment Emergent Adverse Events (TEAE) in OLE as of March 1, 2024 Data Cut

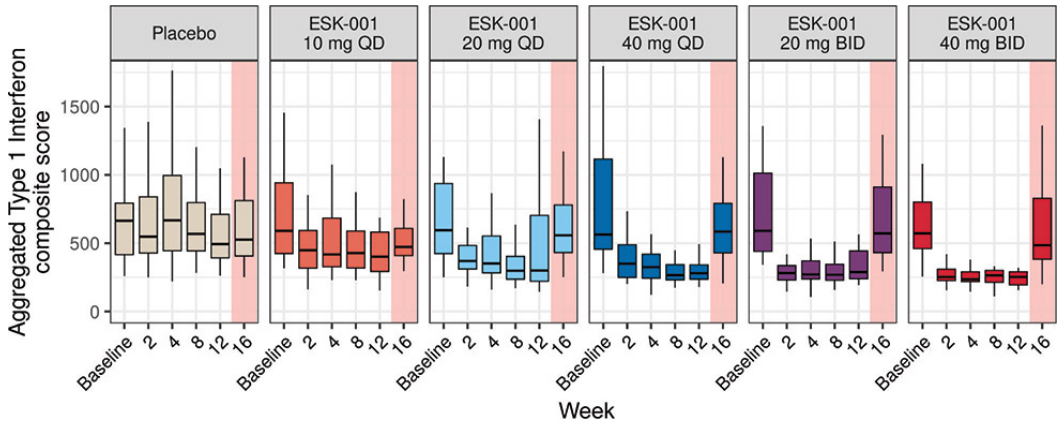
	ESK-001 40 mg QD (N=82)	ESK-001 40 mg BID (N=82)	Overall (N=164)
Subjects with ≥ 1 TEAE	41 (50.0)	45 (54.9)	86 (52.4)
Subjects with ≥ 1 TE SAE	1 (1.2)	3 (3.7)	4 (2.4)
Deaths	0	0	0
Subjects with TEAE leading to treatment discontinuation	0	4 (4.9)	4 (2.4)
Subjects with TEAE ≥ Grade 3	1 (1.2)	4 (4.9)	5 (3.0)
Most frequent TEAEs			
Nasopharyngitis	10 (12.2)	3 (3.7)	13 (7.9)
Upper Respiratory Tract Infection	2 (2.4)	9 (11.0)	11 (6.7)
Folliculitis	0	3 (3.7)	3 (1.8)
Gastroenteritis	0	3 (3.7)	3 (1.8)
Urinary Tract Infection	0	3 (3.7)	3 (1.8)
Acne	2 (2.4)	3 (3.7)	5 (3.0)
Arthralgia	1 (1.2)	3 (3.7)	4 (2.4)
Headache	5 (6.1)	3 (3.7)	8 (4.9)
Cough	0	3 (3.7)	3 (1.8)

As of May 31, 2024, there have been six SAEs in the OLE trial. Two SAEs were considered potentially related: a case of wrist arthritis (40mg QD) in a patient with a history of gout and osteoarthritis; and a case of peritonsillar abscess (40mg BID) following COVID-19 infection that required treatment with antibiotics. Four additional SAEs were considered unrelated by the investigator, by us, or by both: a case of sepsis in a patient with diabetic leg ulcers (40mg BID); a case of dyspnea (40mg QD); a case of EGFR-positive, adenocarcinoma of the lung (40mg QD) in a patient with a strong familial history of lung cancer; and a case of advanced renal cell carcinoma (40mg BID) which, due to its large size and the slow-growing nature of renal cell carcinomas, very likely preceded exposure to ESK-001. In both cases of malignancy, the investigator could not definitively rule out relationship to ESK-001 but in our assessment, both cases were unrelated to ESK-001 treatment. Additionally, the adenocarcinoma of the lung (NSCLC) occurred after four weeks from the last dose and therefore is considered non-treatment-emergent and not shown in the table above.

In summary, our STRIDE Phase 2 clinical trial and open label extension trial in PsO demonstrated that ESK-001 at a dose of 40 mg BID was generally well tolerated and showed clinical benefits. The PASI response was closely linked to the degree of TYK2 inhibition achieved, such that maximal target inhibition led to a significant increase in PASI response, whereas incomplete target inhibition led to a significant step down in PASI response. We believe this data supports advancement of ESK-001 into Phase 3 trials in PsO.

We further assessed the degree of TYK2 inhibition utilizing blood and skin biomarkers. We measured a panel of biomarkers in whole blood using RNA-seq, and within skin biopsies obtained from a subset of STRIDE patients before treatment with ESK-001 (baseline) and at various time points after the treatment with ESK-001 or placebo. The figure below shows increasingly deep suppression of the type I IFN signature with increasing doses of ESK-001. This inhibition occurred within 2 weeks of initiating treatment and was reversed when treatment was discontinued during the washout period (reflected in the pink bars in the figure below). These blood and skin biopsy biomarker data confirm the maximal target inhibition at the 40 mg BID dose, as demonstrated by the plateau of inhibition of the type I IFN signature, and a return to non-lesional levels of additional TYK2 pathway and disease relevant markers in skin.

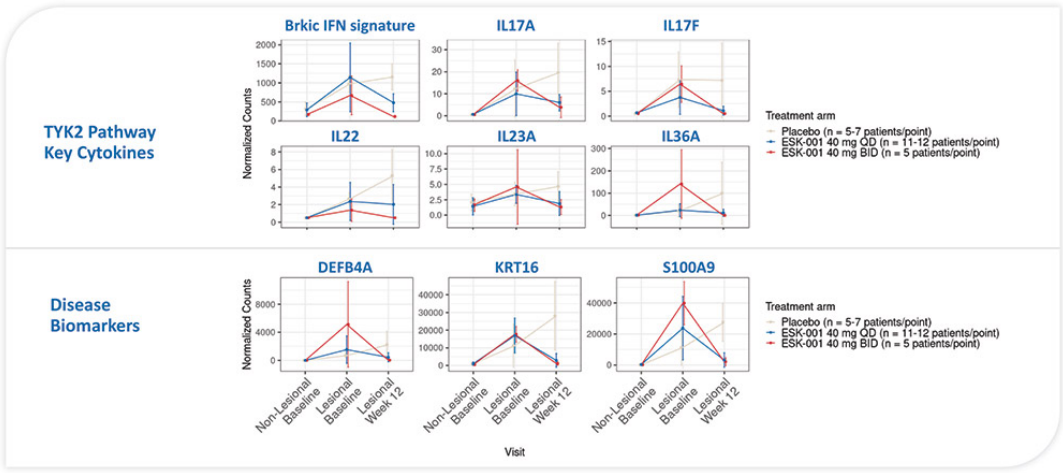
STRIDE Trial: Inhibition of the Type I IFN Signature at Trough in Patient Whole Blood



Note: Blood samples collected at trough. All patients on study with available samples included in analysis. Far right shaded columns for each dose reflect samples from the end of the 4-week washout period.

We also wanted to characterize the target inhibition in the relevant tissue, the skin. We obtained skin biopsies from a subset of the patients in the STRIDE study and measured the mRNA in various key TYK2 pathways as well as in known disease biomarkers of PsO (see figure below). Lesional and non-lesional skin biopsy samples were probed for the expression of certain cytokines and disease-related biomarkers using RNA-seq. Paired lesional and non-lesional biopsy samples were obtained at baseline (shown in the middle and on the left of each plot chart on the figure below) and a lesional sample was obtained after 12 weeks of treatment with ESK-001 (shown on the right of the plot chart). This analysis demonstrated that for most analytes, increased expression of inflammatory cytokines and disease biomarkers returned to non-lesional levels after treatment with ESK-001, except for patients who received the placebo.

STRIDE Trial: Expression of Inflammatory Cytokines and Disease Biomarkers in PsO Skin Biopsies



Note: ESK-001 Psoriasis Phase 2 Skin biopsy RNA-seq.

Skin biopsies collected in subset of patients, all available skin biopsy samples with valid RNAseq data included in analysis.

Proposed Phase 3 Clinical Trials of ESK-001 in PsO

Our Phase 3 development program includes two identical, global, randomized, double-blind, placebo-controlled studies to evaluate the efficacy and safety of ESK-001 in adult patients with PsO. We plan to

conduct these trials in North America, Europe, Latin America, Australia and Asia. Comparators will include placebo (though Week 16) and Otezla (through Week 24). Otezla was selected as a comparator for multiple reasons, including without limitation: (i) Otezla is the benchmark comparator for evaluating PASI efficacy and was the comparator on which Sotyktu was approved; (ii) placebo is not an appropriate comparator past Week 16 due to ethical concerns of administering placebo beyond that point without rescue options, which options would introduce confounding statistical complications; (iii) using Otezla as a comparator allows our trials to have an active comparator out to Week 24; (iv) Otezla is one of the most widely used psoriasis oral drugs with a well-recognized and established safety and efficacy profile on which to compare ESK-001; and (v) Otezla's established safety and efficacy profile allows accurate statistical powering of our Phase 3 clinical trials.

The co-primary endpoints will be PASI 75 and sPGA 0/1 at Week 16. Key secondary endpoints will include PASI 90, PASI 100, and sPGA 0 measured at Weeks 16 and Week 24. In addition, patient-reported outcomes including quality of life measures and pruritus will be captured. Patients completing Week 24 will have the opportunity to participate in a 52-week long-term extension (LTE) trial that will evaluate durability and maintenance of response and long-term safety for inclusion in the NDA submission. In addition, we are considering conducting other active comparator trials. These trials are not expected to be part of the NDA submission in the United States.

We have received and incorporated feedback from the FDA and the Committee for Medicinal Products for Human Use (CHMP) in Europe in our proposed Phase 3 program in PsO, and regulatory feedback from the PMDA in Japan has been requested.

Enrollment in our two Phase 3 pivotal trials is expected to commence in the second half of 2024, and top line results are expected in 2026.

ESK-001 for the treatment of Systemic Lupus Erythematosus (SLE)

SLE Overview

SLE is a chronic autoimmune disease predominantly affecting women at childbearing age. Clinical manifestations are highly heterogeneous, and the disease typically waxes and wanes, with flares and periods of relative remission. Certain loss-of-function variants of TYK2 significantly decrease the risk of SLE.

While mortality in SLE has decreased since the mid-20th century as a result of improved treatments, the disease remains associated with increased disability and loss of social and occupational functioning and high utilization of health care resources.

Treatment for SLE varies and, in general, is proportional to the severity of the disease manifestations. Hydroxychloroquine or other antimalarials are widely used along with corticosteroids and immunosuppressives/immunomodulators for moderate to severe SLE and are responsible for significant long-term toxicity and excess mortality. Causes of death in SLE patients are primarily related to infection, as well as accelerated cardiovascular disease or end organ failure.

Overview of the SLE Market

Over 240,000 people have SLE in the United States (and approximately 3.4 million globally), with an annual growth rate of 1%. 68% of these U.S. SLE patients have moderate-to-severe SLE, and 72% of moderate-to-severe SLE patients are drug treated in the United States. Over 72,000 people in the United States have SLE with lupus nephritis, a serious complication of SLE. Approximately 90% of lupus nephritis patients with Class III and above disease are drug treated in the United States.

The pharmaceutical drug market for SLE was approximately $1.8 billion in the United States in 2023 (and approximately $2 billion globally), and is forecasted to increase to approximately $2.7 billion by 2030 (and over $4 billion globally) due to the increase in SLE patient population and the development of new therapies for SLE.

The therapies available for the treatment of SLE include anti-malarial therapies, corticosteroids, immunosuppressive agents and biologic therapies. There are currently only two targeted therapies approved

for SLE in the United States—Benlysta and Saphnelo. There remains a strong unmet need for more effective and safe therapies to treat SLE, as these are the only two therapies approved since the 1950s and oral corticosteroids with or without broad immunosuppressants are still widely used, and such biologics treatment is only effective in a subset of patients.

Rationale for Targeting TYK2 in the Treatment of SLE

The importance of the type I IFN pathway is well established in SLE. Type I IFN regulated genes and proteins are elevated in SLE patient serum, skin, joints, and kidneys, driving disease activity and flares. The type I IFN receptor signals through TYK2 to drive T-cell activation, enhanced natural killer (NK) cell activity, dendritic cell maturation and neutrophil extracellular traps formation. The IL-23/IL-12 pathways are less well characterized in SLE compared to psoriasis. IL-23 levels have been shown to be higher in active as compared to inactive SLE biopsy samples, and glomerular IL-23 appears to correlate with severity of kidney inflammation.

Sotyktu has been studied in a 48-week Phase 2 clinical trial in adults (n=363) with active SLE. The primary endpoint was the SLE Responder Index 4 (SRI-4) at Week 32 across four groups randomized 1:1:1:1 to receive Sotyktu 3 mg twice daily, 6 mg twice daily, 12 mg once daily, or placebo. This study met its primary and several secondary and exploratory endpoints. Sotyktu showed higher response rates relative to placebo at all dose levels, but there did not appear to be a clear dose response relationship. Overall rates of AEs were similar across groups, except for higher rates of infections and cutaneous events, including rash and acne, with Sotyktu treatment. Patient drop-out rates were higher at higher doses. Rates of SAEs were comparable across dose cohorts, with no deaths, opportunistic infections, tuberculosis infections, major adverse cardiovascular events or thrombotic events reported.

Ongoing Phase 2b LUMUS trial of ESK-001 in SLE

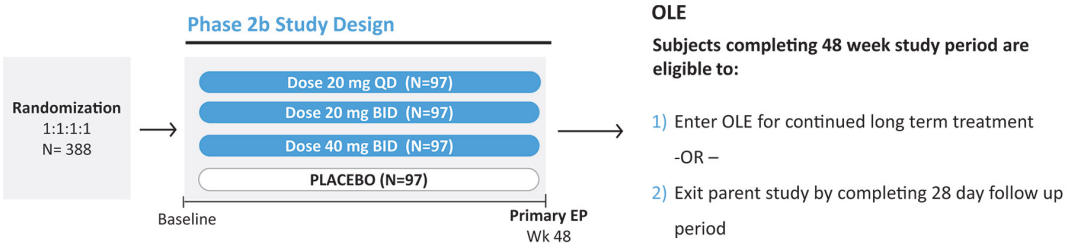
We are currently conducting LUMUS, a Phase 2b, 48-week, global, placebo-controlled, double-blind, randomized, clinical trial evaluating ESK-001 in patients with moderate-to-severe active SLE, in the United States, Europe, the UK, Latin America and APAC countries. Subsequently, we plan to conduct a confirmatory Phase 3 clinical trial prior to seeking regulatory approval.

The trial is enrolling patients with autoantibody positive SLE diagnosed per the 2019 EULAR/ACR criteria more than six months prior to screening, and with evidence of active disease per both Systemic Lupus Erythematosus Disease Activity Index—2K (SLEDAI-2K) and British Isles Lupus Assessment Group index (BILAG) (both validated composite outcome measures of lupus disease activity), despite current treatment with corticosteroids and/or any of the following: antimalarials, methotrexate, azathioprine, or a combination of these treatments.

We plan to enroll 338 patients in three active dose arms and a placebo arm with randomization ratio of 1:1:1:1. The trial is designed to test the efficacy, safety and optimal dose regimen of ESK-001 in patients with active SLE. The primary endpoint is BICLA response (a validated composite measure of lupus disease activity) at Week 48. The trial is designed to potentially serve as the first of two pivotal trials. It is accompanied by an open label extension trial. An extensive array of biomarker samples is being collected in order to help identify biomarkers associated with response or non-response, potentially enabling future stratification and/or selection of patients most likely to respond. A schematic of the trial design is shown in the figure below.

We expect to report data in 2026.

LUMUS Phase 2b Trial Design in SLE



ESK-001 for the Treatment of Active Non-Infectious Intermediate, Posterior or Pan Uveitis

Overview of Uveitis

Uveitis refers to eye inflammation involving the uvea (iris, ciliary body and choroid) and adjacent structures. It is a very serious disease that can have a sudden onset with rapid progression resulting in blindness. It is one of the leading causes of preventable blindness in the United States and accounts for 15% of the causes of total blindness in western countries. Uveitis is divided into infectious and non-infectious uveitis, with non-infectious uveitis accounting for approximately half of all uveitis cases. Non-infectious uveitis can further be classified further into uveitis associated with underlying systemic disease such as juvenile idiopathic arthritis, sarcoidosis, psoriasis or psoriatic arthritis, or without an underlying systemic disease, such as associated with drugs, injury, post-surgery or idiopathic.

Overview of the Uveitis Market

Over 570,000 people in the United States have Uveitis (and over one million people globally), with an annual growth rate of 1%. 78% of U.S. Uveitis patients have anterior uveitis, and 22% have intermediate, posterior or panuveitis. 76 to 82% (depending on the disease severity and subtype) of Uveitis patients are drug treated in the United States.

The pharmaceutical drug market for Uveitis was over $220 million in the United States in 2023 (and approximately $303 million globally), and is forecasted to increase to approximately $657 million by 2030 (and over $750 million globally) due to the increase in Uveitis patient population and the development of new therapies for Uveitis.

The therapies available for the treatment of Uveitis include steroid therapies and implants, antimetabolites, alkylating agents, calcineurin inhibitors and biologic therapies. Humira is the only FDA-approved biologic for the treatment of Uveitis and a significant proportion of patients are refractory to treatment with Humira. Other therapies are used off-label. There is an unmet need for effective and safe therapies to achieve sustained control of inflammation in patients.

Rationale for Targeting TYK2 in the Treatment of Uveitis

Uveitis is a common manifestation of systemic autoimmune diseases believed to be driven by dysregulation of TYK2-mediated cytokine pathways. Uveitis is predominantly a T-cell mediated disease, mainly driven by Th1 and Th17 pathways. The IL-12 family of cytokines, including IL-12, IL-23, IL-27, and IL-35, are vital for the regulation of T-cells. Although Uveitis due to autoimmune and autoinflammatory mechanisms may be heterogeneous in clinical manifestations and includes a range of immune-mediated diseases, many studies now show that these entities share the dysregulation of the IL-23/IL-17 signaling pathway. Maximal type I IFN and IL-23/IL-17 pathway inhibition in local disease tissues was confirmed in our Phase 2 STRIDE clinical trial of ESK-001 in patients with PsO.

Ongoing Phase 2a Proof-of-Concept OPTYK-1 Trial

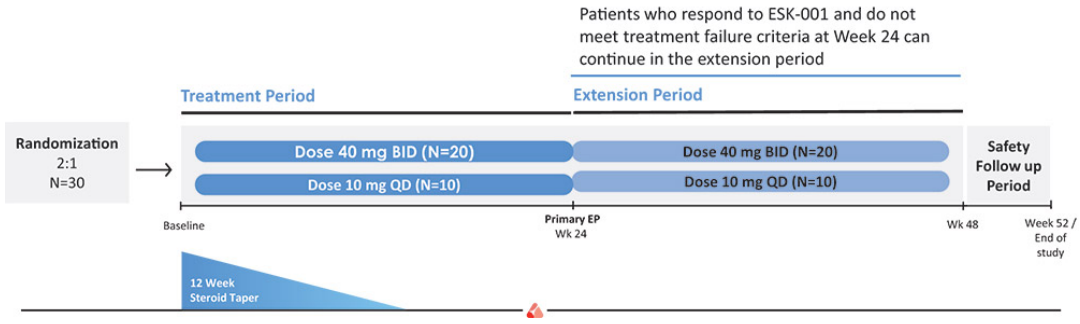
We are currently conducting OPTYK-1, a Phase 2a, proof-of-concept, double-blinded, randomized, clinical trial evaluating ESK-001 in patients with Uveitis in the United States.

The trial aims to investigate the safety and efficacy of ESK-001 in patients with active non-infectious, intermediate, posterior and pan Uveitis in at least one eye. We enrolled 36 patients in two active dose arms of 40 mg BID against 10 mg QD with a randomization ratio of 2:1. The primary endpoint is the proportion of patients meeting treatment failure criteria by Week 24. Treatment failure criteria is defined by three parameters, which are new inflammatory lesions, worsening of visual acuity and worsening of vitreous haze. At Week 24, patients who do not meet treatment failure criteria will be allowed to continue in the extension period for another 24 weeks followed by a four-week safety follow up period. All patients must have active disease on study Day 1 and will be required to take 1 mg/kg prednisone on study Day 1, with a defined taper over 12 weeks. A schematic of the trial design is shown in the figure below.

Key secondary endpoints include time to treatment failure, change in vitreous haze, AC grade, EDTRS BCVA, central retinal thickness, retinal vascular leakage, PK and safety events over time and between weeks 12 and

24. We expect to report topline results by the end of 2024. Following our meeting with the FDA at the end of the OPTYK trial, we will determine whether a Phase 2b clinical trial is needed prior to proceeding to a Phase 3 clinical trial evaluating ESK-001 in patients with Uveitis.

Phase 2a OPTYK-1 Trial Design in Uveitis



Note: Includes posterior, intermediate and pan-uveitis

Randomized, Double Masked, Multi-Center, Study with Two Active Dose Arms and Extension Period

Primary EP: Proportion of patients failing treatment for active NIU by Week 24

Potential Additional Indications of Interest

Crohn's disease (CD) impacts approximately 700,000 people in the United States (and over 1.5 million people globally), with an annual growth rate of approximately 1%. 63% of patients have moderate-to-severe/fulminant CD, and over 84% of moderate-to-severe CD patients are drug treated. The pharmaceutical drug market for CD was approximately $8.1 billion in the United States in 2023 (and approximately $10.1 billion globally), and is forecasted to increase to over $10.8 billion by 2030 (and over $13 billion globally) due to the increase in CD patient population and the development of new therapies for CD. There are a number of therapies available for the treatment of CD, including steroids, tumor necrosis factor (TNF) inhibitors, interleukin inhibitors, anti-integrin biologics, a JAK inhibitor and other systemic therapies. Humira and Entyvio are the most used biologics in their categories. There is currently one oral therapy approved for CD in the United States—Rinvoq. Rinvoq is an oral JAK inhibitor, which carries a black box warning for JAK-related AEs, and is advised for use after a TNF inhibitor.

Ulcerative colitis (UC) impacts over 618,000 people in the United States (and over 1.9 million people globally), with an annual growth rate of approximately 1%. Over 70% of patients have moderate-to-severe/fulminant UC, and over 80% of moderate-to-severe UC patients are drug treated. The pharmaceutical drug market for UC was approximately $5.3 billion in the United States in 2023 (and approximately $7.7 billion globally), and is forecasted to increase substantially to approximately $6.1 billion by 2030 (and over $9 billion globally) due to the increase in UC patient population and the development of new therapies for UC. There are a number of therapies available for the treatment of UC, including steroids, TNF inhibitors, interleukin inhibitors, anti-integrin biologics, JAK inhibitors, an S1P1 receptor and other systemic therapies. Humira and Entyvio are the most used biologics in their categories. There are three oral therapies approved for UC in the United States—Xeljanz, Rinvoq and Zeposia. Xeljanz and Rinvoq are oral JAK inhibitors, which carry a black box warning for JAK-related AEs, and are advised for use after a TNF inhibitor. Zeposia is an S1P modulator approved in 2021.

Psoriatic arthritis (PsA) impacts over 623,000 people in the United States (and over 1.4 million people globally), with an annual growth rate of 1%. 68% of patients have moderate-to-severe PsA, and over 53% of moderate-to-severe PsA patients are drug treated. The pharmaceutical drug market for PsA was approximately $6.3 billion in the United States in 2023 (and approximately $8.1 billion globally), and is forecasted to increase substantially to approximately $7.2 billion by 2030 (and over $9 billion globally) due to the increase in PsA patient population and the development of new therapies for PsA. There are a number of therapies available for the treatment of PsA, including TNF inhibitors, interleukin inhibitors, biologic therapies, JAK inhibitors and other systemic therapies. Humira is the most used TNF inhibitor among moderate-to-severe PsA patients.

Stelara is the most used biologic in the anti-IL-12/23 category. There are three oral therapies for PsA approved in the United States—Xeljanz, Rinvoq and Otezla. Xeljanz and Rinvoq are oral JAK inhibitors, which carry a black box warning for JAK-related AEs, and are advised for use after a TNF inhibitor.

Once daily oral formulation of ESK-001

We are currently developing a once daily modified release (MR) oral formulation of ESK-001 that can replace our current immediate release (IR) oral formulation that is dosed twice daily. Our target profile is an MR product that has comparable pharmacokinetic (PK) and pharmacodynamic (PD) behavior to the 40 mg IR twice daily dose utilized in our Phase 2 clinical trials to date. We plan to initiate human studies in order to identify the best MR formulation. We plan to use this formulation to advance our clinical programs and to introduce it between the time of PsO approval or via a supplemental NDA within the first year post approval.

A-005: Our CNS-Penetrant Allosteric TYK2 Inhibitor

The second clinical product candidate in our TYK2 franchise, A-005, is a highly differentiated, CNS-penetrant, allosteric TYK2 inhibitor that has potential applications in multiple sclerosis (MS) and other neurological diseases. A loss-of-function mutation in the TYK2 gene has been shown to have a protective effect in MS. In preclinical studies, A-005 has recapitulated the protective effects reported with the TYK2 genetic loss-of-function in prophylactic and therapeutic *in vivo* EAE models of neuroinflammation. We have completed investigational new drug (IND) enabling studies of A-005. In April 2024, we initiated a randomized, double-blind, placebo-controlled, multi-cohort Phase 1 study to assess the safety, PK, and PD of single ascending doses (SAD) and multiple ascending doses (MAD) of orally administered A-005. The study's primary endpoint is the safety and tolerability of SAD and MAD administration of A-005 in healthy volunteers. Each healthy volunteer in the SAD cohorts will receive a single oral dose of A-005 or placebo. Each healthy volunteer in the MAD cohorts will receive a QD or BID oral dose of A-005 or placebo for 14 days. If we meet the primary endpoint and PK data have been demonstrated in the SAD cohorts, we intend to include an open-label, one-cohort, single-dose study to assess the penetration of orally administered A-005 into the cerebrospinal fluid (CSF). We expect to report initial results by the end of 2024. We are targeting MS as our initial indication. Assuming favorable results in this study, we believe we can quickly establish proof of concept of A-005 for future Phase 2 study in MS given its potential to potently target neuroinflammatory processes.

Role of TYK2 in neuroinflammatory and neurodegenerative diseases.

TYK2 pathways are active in CNS-resident immune cells and may play a localized role in the CNS contributing to the pathology of several CNS inflammatory disorders, including MS. Genome-wide association studies have shown the loss-of-function TYK2 genetic variant, P1104A, has a protective effect for the development of MS. An additional missense variant in TYK2, Rs35018800, has the largest effect on MS risk of any variant outside the MHC/HLA region discovered to date. In addition to its genetic association with MS, TYK2 is known to be expressed and functionally active in CNS-resident microglia. Microglia express IL-23 and interferon receptors and IL-23/IL-12 cytokines have been shown to localize to MS lesions. Activated microglia are associated with disease worsening in MS, and TYK2 inhibitors with adequate CNS exposure provide an opportunity to target neuroinflammation and neurodegeneration. We believe TYK2 inhibition has the potential to treat the neuroinflammatory component of other neurodegenerative diseases where activated microglia and/or TYK2 proinflammatory cytokines including interferon are implicated such as Alzheimer's disease, ALS, optic neuritis, neuromyelitis optica, and Parkinson's disease.

A-005 for the treatment of Multiple Sclerosis

MS is a chronic immune-mediated disease of the central nervous system. This condition causes a wide range of physical and cognitive challenges for those afflicted, often resulting in neurological symptoms and disabilities. Despite available treatments to manage symptoms and slow diseases progression, treatments are limited for progressive disease and a definitive cure remains elusive. Agents directly targeting the CNS pathology and CNS resident cells, including activated microglia, are of increasing interest as these are thought to impact progressive neurological impairment. The unmet need lies in finding safe and more effective targeted

therapies that can halt or reverse the disease progression, alleviating the burden on patients and their families and improving their overall quality of life.

MS afflicts approximately 800,000 patients in the United States (and approximately 2.9 million people worldwide), with an annual growth rate of approximately 1%.

The global market size for MS is approximately $20 billion and is forecasted to increase substantially to over $30 billion by 2030 due to the increase in MS patient population, the development of new therapies for MS and projected increase in treatment rate.

There are several therapies available for the treatment of relapsing forms of MS, including interferon beta regulators, monoclonal antibodies, synthetic immunomodulatory drugs and S1P receptor modulators. Few therapies exist for the progressive form of MS. Ocrevus (ocrelizumab), a CD20 antibody, is the most used injectable therapy in the United States for relapsing MS and is the only approved treatment option shown to slow progression of primary progressive multiple sclerosis (PPMS). There continues to be a high unmet need for a safe and efficacious oral therapies for progressive forms of MS.

A-005 Preclinical Validation

In our preclinical studies, A-005 was shown to bind to the TYK2 allosteric domain (JH2 domain) with picomolar binding affinity and potently inhibit receptor-mediated activation of pSTAT pathways downstream of IL-23, IL-12 and type I IFN receptor signaling in whole blood, PBMCs and microglial cells. As shown in the figure below, A-005 is highly potent and intrinsically selective for the TYK2 JH2 domain over all other protein kinases for which A-005 showed limited activity in a broad kinase screening panel, including the JAK family members. While potent in TYK2 pathways (IFNα, IL-12 or IL-23 stimulus), A-005 is devoid of JAK pharmacology in non-TYK2 driven (IL-2 and TPO stimulus) in immune cell assays. A-005 has a projected low QD dose, with an approximately 12 hour projected half-life.

Profile of A-005 Inhibition in Biochemical and Immune Cell Assays Demonstrates Potent and Selective Inhibition of TYK2 with no JAK-related Pharmacology

Target	Kd (nM)	Selectivity
TYK2 JH2*	0.017	-
JAK1 JH2*	2.5	149-fold
JAK1 JH1	>10,000	>595,000
JAK2 JH1	737	43,869
JAK3 JH1	737	43,869
TYK2 JH1	>30,000	>1,786,000
BMPR2*	80	4,762
GCN2*	88	5,238
RSK3*	1,700	>100,000

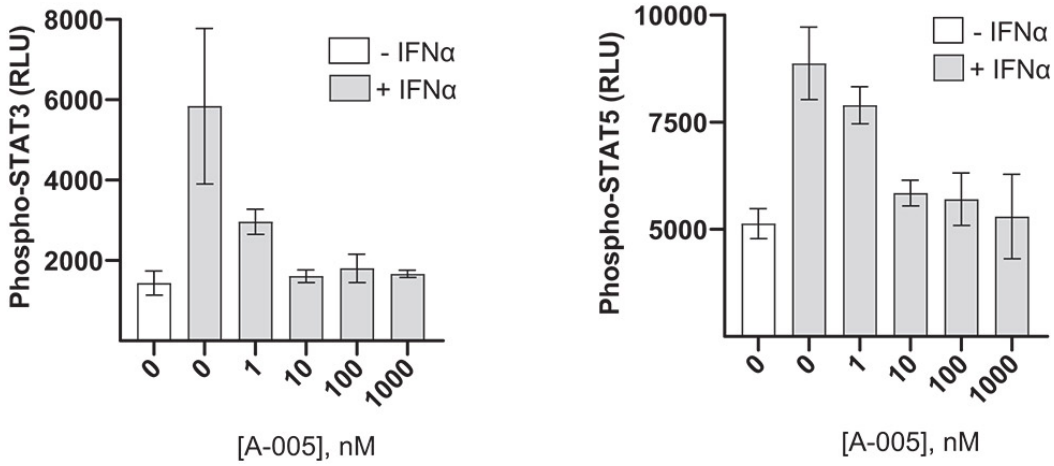
*Eurofins kinase panel hits >90% at 1 μM A-005

Stimulus	Readout	Pathway	Human whole blood IC_{50} (nM)	Human PBMC IC_{50} (nM)	HMC3 microglia IC_{50} (nM)
IFNα	pSTAT3	TYK2	30	3.7	5.4
IFNα	pSTAT5		31	3.3	4.8
IL-12	pSTAT4		56	8.1	N/A
IL-2	pSTAT5	JAK1/JAK3	>1,000	>1000	N/A
TPO	pSTAT5	JAK2	>1,000	N/A	N/A

Note: TPO: thrombopoietin; pSTAT: phosphorylated signal transducer and activator of transcription

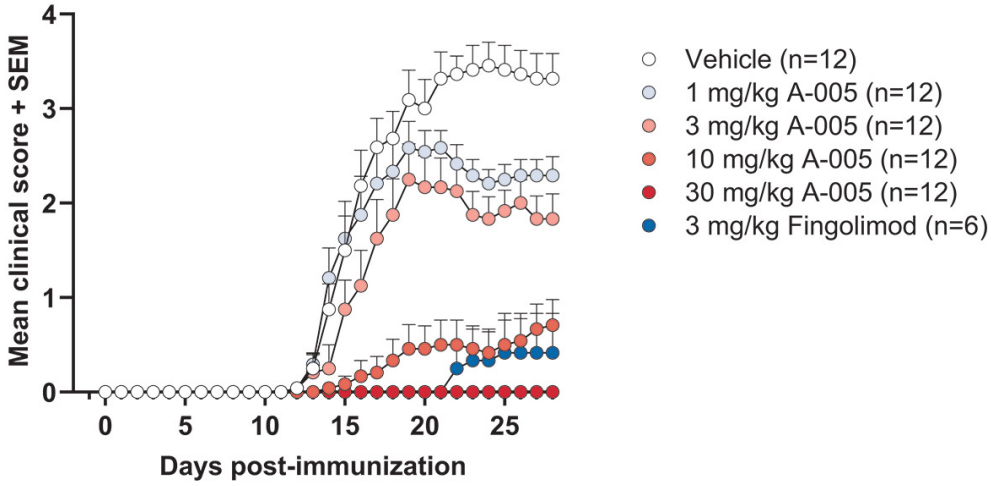
We believe A-005 can potently target neuroinflammatory processes systemically and within the CNS. Our preclinical studies have shown that microglia express TYK2 and respond to TYK2 signaling cytokines such as IFNa and IL-23. A-005 can substantially inhibit TYK2 microglial responses in primary microglia derived from human induced pluripotent stem cell (iPSC) achieving maximal inhibition of IFNα induced pSTAT activation, returning to baseline non-stimulated levels with increasing A-005 concentration (see figure below). These results are similar to those observed with immune PBMCs.

A-005 Maximally Inhibits Activation of Human iPSC-Derived Microglia



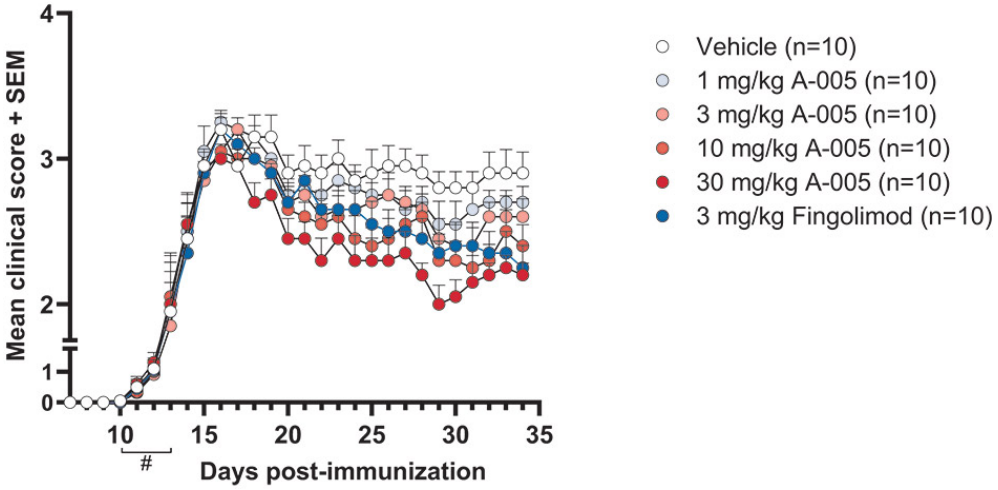
When administered orally once a day, A-005 was protective in rodent models of EAE, which are commonly used to evaluate mechanisms of neuroinflammation. When administered prophylactically in an EAE model, A-005 showed a significant dose response and prevented disease at higher doses. A-005 disease reduction surpassed that of fingolimod, which is commonly used as a positive control in this model. In a therapeutic dosing EAE model, A-005 administered after disease onset resulted in significant suppression of established disease with once daily treatments again exceeding the benefit observed with fingolimod.

Prophylactic CNS EAE Model: Complete Suppression Achieved with Once Daily A-005 Treatment



Note: Once daily oral dosing initiated 1 day prior to EAE induction. Mann-Whitney U-test vs vehicle, $p<0.05$ for 1mg/kg (day 20-28); 3 mg/kg (day 20-28); 10 mg/kg (day 14-28); 30 mg/kg (day 14-28)

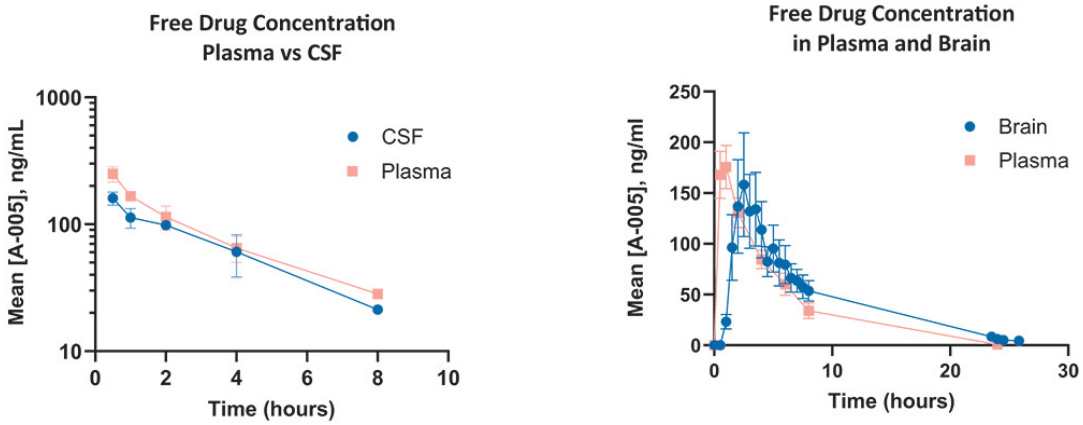
Therapeutic CNS EAE Model: Dose-Dependent Suppression of Established Disease with Once Daily A-005 Treatment Initiated After Disease Onset



Note: Once daily oral dosing initiated at the onset of EAE clinical signs (# enrollment period, days 10-13). Experiment continued until each mouse had been dosed for at least 21 days (day 34). Mann-Whitney U-test vs vehicle, $p<0.05$ for 10 mg/kg (day 21, 25-27, 29-32, 34), 30 mg/kg (day 18-34).

We assessed the ability of A-005 to transit across the blood brain barrier in rodents by comparing levels of A-005 present in the plasma with levels in the cerebrospinal fluid (CSF) and within the brain tissues at specified timepoints after oral administration. As shown in the figure below, near equivalent levels of A-005 were confirmed in the CSF and within the brain compared to measured free drug plasma levels adjusted for protein binding.

High CNS Penetration Confirmed with Oral Dosing of A-005 In Vivo



First in human study

In April 2024, we initiated a randomized, double-blind, placebo-controlled, multi-cohort investigation under a U.S. IND to assess the safety, PK, and PD of single ascending doses (SAD) and multiple ascending doses (MAD) of orally administered A-005 in healthy volunteers. As part of the study we intend to include an open-label, single-dose cohort to assess the penetration of orally administered A-005 into the human CSF and expect to report initial results by the end of 2024.

Enrollment in our MS Phase 2 pivotal trials is expected to commence in 2025, and top line results are expected in 2026.

Our Discovery Programs

We are building a pipeline of molecules with the potential to address a broad range of immune-mediated diseases. We pursue drug targets that have been previously validated by strong human genetic evidence or human clinical data. Our drug discovery efforts for our selected targets take advantage of structure-guided approaches built from public or proprietary crystallographic structures to enable use of advanced computational methods. These approaches enable optimization of traditional protein modulators, protein degraders, and targeted covalent inhibitors as appropriate. In addition, we have chosen targets that could be complementary for use in combination with our existing TYK2 franchise and to each other.

For example, interferon regulatory factor 5 (IRF5) is a transcription factor that mediates signaling of several cytokines including type I IFN, IL-6, IL-12, IL-23, and TNF. It is a genetically supported target across multiple immune indications with known functional roles in both innate and adaptive immunity. IRF5 has been implicated in macrophage polarization, cell growth regulation, and apoptosis. It acts on innate immune responses via recognition of upstream self-nucleic acid-containing immune complexes and pathogens by toll like receptors (TLR), specifically: TLR7, TLR8 and TLR9 in the endosome via MyD88. Translocation of IRF5 to the nucleus following phosphorylation by IKKβ is critical to the pathogenesis of many immune mediate diseases. Genome-wide association studies have identified several functional genetic variants in IRF5 that predispose patients to immune-mediated diseases including, but not limited to SLE, systemic sclerosis, and primary sclerosing cholangitis.

We are actively engaged in lead generation activities to identify small molecules that can precisely bind and block IRF5 function. These efforts are aided by our proprietary crystal structure of our compounds bound to IRF5, which enables computational approaches to optimize binders for either IRF5 inhibition or degradation. We have developed several proprietary assays including a biochemical dimerization assay that has been used in conjunction with high-throughput screening to identify leads. In addition, we have applied an orthogonal method to identify small-molecule binders that may target allosteric pockets providing inhibition directly or as a component in a PROTAC. We will pursue multiple mechanisms of inhibition and use our extensive pharmacology expertise to guide the final selection of clinical candidates.

Foresite Labs Services Agreement

Foresite Labs was an original shareholder in, and actively involved in our incubation. We and Foresite Labs have had an ongoing services agreement since our inception, with Foresite Labs originally providing incubation services, development assistance and oversight, and data analytics services; currently, Foresite Labs provides data analytics services related to our TYK2 franchise, our discovery programs and to our business development activities. The original Services Agreement between us and Foresite Labs was entered into in January 2021, was amended and restated in August 2021, was amended and restated for a second time in December 2023, and expires in December 2026, unless terminated earlier by the parties. Work under the Services Agreement is memorialized in a series of Statements of Work and we pay Foresite Labs for the estimated costs of its services in advance on a quarterly basis, with a true-up to actuals at the end of each quarter.

Intellectual Property

We strive to protect and enhance the proprietary technology, inventions and improvements that are commercially important to our business, including by seeking, maintaining, enforcing and defending patent rights. Our policy is to seek to protect our proprietary position by, among other methods, filing patent applications in the United States and in jurisdictions outside of the United States related to our proprietary technology, inventions, improvements and product candidates that are important to the development and implementation of our business. We also rely on trade secrets and know-how relating to our proprietary technology and product candidates, and may in the future rely on in-licensing opportunities, to develop, strengthen and maintain our proprietary position in our field. Our commercial success will depend in part on our ability to obtain and maintain patent and other proprietary protection for our technology, inventions and

improvements; to preserve the confidentiality of our trade secrets; to obtain and maintain any future licenses to use intellectual property owned by third parties; and to defend and enforce our proprietary rights, including our patent rights.

As of March 31, 2024, our solely owned patent portfolio included two issued U.S. patents, three pending U.S. provisional patent applications, five pending non-provisional U.S. patent applications, over 40 pending foreign patent applications, and eight pending Patent Cooperation Treaty (PCT) patent applications.

ESK-001 and A-005

In regard to ESK-001 and A-005, we own one patent family that includes two issued U.S. patents, three pending U.S. patent applications and over 20 foreign patent applications pending in various jurisdictions, such as Europe, Brazil, Canada, China, Australia, Japan, India, Israel, Singapore and Vietnam. Not accounting for any patent term adjustment or extensions or terminal disclaimers, and assuming that all applicable annuity and/or maintenance fees are paid timely, the issued patents, and, if granted, the pending patent applications in this family, are expected to expire in 2039. The U.S. patent and pending patent applications disclose and/or contain composition-of-matter and method of treatment claims relating to ESK-001 and A-005, and disclose and/or contain claims relating to the production of ESK-001 and A-005. One pending U.S. patent application is directed to the composition of matter claims to A-005.

We also own three patent families which include three pending PCT applications that disclose and/or contain claims directed to crystalline and salt forms of ESK-001. Not accounting for any patent term adjustment or extension and assuming that all applicable annuity and/or maintenance fees are paid timely, any patent applications claiming the benefit of these PCT applications, if issued, will be expected to expire in 2043.

We own another patent family that includes one pending PCT application that discloses and/or contains claims directed to methods of treating a TYK2-mediated disease using ESK-001. Not accounting for any patent term adjustment or extension and assuming that all applicable annuity and/or maintenance fees are paid timely, any patent applications claiming the benefit of this PCT application, if issued, will be expected to expire in 2043.

We own two pending PCT applications and one pending U.S. provisional patent application that disclose and/or contain claims directed to methods of treating various diseases with ESK-001, such as hidradenitis suppurativa, uveitis and autoimmune skin disease. Not accounting for any patent term adjustment or extension and assuming that all annuity and/or maintenance fees are paid timely, any patent applications claiming the benefit of the PCT applications, or patent applications claiming priority to the PCT applications or the provisional patent application, if issued, will be expected to expire in 2044.

We continue to assess the extent to which we may seek additional patent protection for aspects of our product engine. The term of individual patents depends upon the date of filing of the patent application, date of patent issuance and the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the earliest date of filing of the first non-provisional application to which priority is claimed. Outside of the United States, the duration of patents varies in accordance with applicable local law, but typically is also 20 years from the earliest non-provisional filing date. In the United States, patent term may be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the United States Patent and Trademark Office (USPTO) in examining and granting a patent, or may be shortened if a patent is terminally disclaimed over an earlier-filed patent. Moreover, in context of approved products, there may be other additional exclusivity for the patents covering such approved product. In the United States, the term of a patent that covers an FDA-approved drug may also be eligible for a patent term extension of up to five years under the Hatch-Waxman Act, which is designed to compensate for the patent term lost during the FDA regulatory review process. The length of the patent term extension is calculated based on the length of time it takes for regulatory review. A patent term extension under the Hatch-Waxman Act cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent applicable to an approved drug may be restored and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended. Moreover, a patent can only be restored once, and thus, if a single patent is applicable to multiple products, it can only be extended based on one product. Similar provisions are available in Europe and certain other foreign jurisdictions to extend the term of a patent that covers an approved drug.

We intend to pursue, in the normal course of business and when possible, composition, method of use, process, dosing and formulation patent protection for the product candidates we develop and commercialize. We may also pursue patent protection with respect to manufacturing and immunotherapy development processes and technology. When available to expand market exclusivity, we intend to strategically obtain or license additional intellectual property related to current or contemplated product candidates.

In some instances, we submit patent applications directly to the USPTO as provisional patent applications. Corresponding non-provisional patent applications must be filed within 12 months after the provisional application filing date. The corresponding non-provisional application may be entitled to the benefit of the earlier provisional application filing date(s), and the patent term of the finally issued patent is calculated from the later non-provisional application filing date. Provisional applications for patents were designed to provide a lower-cost first patent filing in the United States. This system allows us to obtain an early priority date, add material to the patent application(s) during the priority period, obtain a later start to the patent term and to delay prosecution costs.

The PCT system allows a single application to be filed within 12 months of the original priority date of the patent application, and to designate all of the PCT member states in which national or regional patent applications can later be pursued based on the international patent application filed under the PCT. The PCT searching authority performs a patentability search and issues a non-binding patentability opinion which can be used to evaluate the chances of success for the national or regional applications prior to having to incur the filing fees and prosecution costs. Although a PCT application does not issue as a patent, it allows the applicant to seek protection in any of the member states through national/regional-phase applications. At the end of the period of two and a half years from the first priority date of the patent application, separate patent applications can be pursued in any of the PCT member states either by direct national filing or, in some cases by filing through a regional patent organization, such as the European Patent Organisation. The PCT system delays expenses, allows a limited evaluation of the chances of success for national/regional patent applications and enables substantial savings where applications are abandoned within the first two and a half years of filing. We intend to file U.S. nonprovisional applications and PCT applications that claim the benefit of the priority date of earlier filed provisional applications, when applicable.

For all patent applications, we determine claiming strategy on a case-by-case basis. Advice of counsel, country-specific patent laws and our business model and needs are always considered. We may file patents containing claims for protection of all useful applications of our proprietary product candidates, as well as all new applications and/or uses we discover for existing product candidates, assuming these are strategically valuable. We continuously reassess the number and type of patent applications in our portfolio, as well as the pending and issued patent claims, to help ensure that maximum coverage and value are obtained for our processes, and compositions, given existing patent office rules and regulations. Further, claims may be modified during patent prosecution, to the extent allowed, to meet our intellectual property and business needs.

There can be no assurance that we will be able to obtain, maintain, enforce and defend all patents and other intellectual property rights necessary to conduct our business. The patents that issue from our patent applications or any that we may in-license in the future, if any, may be challenged by third parties, may not effectively prevent third parties from commercializing competitive technologies or may not otherwise provide us with a competitive advantage.

We may also rely on trade secrets relating to our product candidates and technology, and seek to protect and maintain the confidentiality of proprietary information to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection. However, trade secrets are difficult to protect and may provide us with only limited protection. It is our policy and practice to require our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to execute confidentiality agreements upon the commencement of employment or consulting relationships with us, and for employees and consultants to enter into invention assignment agreements with us. These agreements provide that all confidential information developed or made known to the individual during the course of the individual's relationship with us is to be kept confidential and not disclosed to third parties except in specific circumstances. Where applicable, the agreements provide that all inventions to which the individual contributed as an inventor shall be assigned to us, and as such, will become our property. There can be no assurance, however, that these agreements will provide meaningful protection or adequate remedies for our trade secrets in the event of unauthorized use or disclosure of such information.

For more information regarding the risks related to our intellectual property, see section titled "Risk Factors — Risks Related to Intellectual Property."

Sales and Marketing

Given our stage of development, we have not yet established a full commercial organization or distribution capabilities. We have stage-appropriate commercial capabilities we intend to build a commercial infrastructure to support sales of any approved products and intend to continue evaluating opportunities to work with partners that enhance our capabilities with respect to the development and commercialization of ESK-001 and A-005, if approved. In addition, we intend to commercialize our product candidates, if approved, in key markets in the United States, the European Union, and APAC, either alone or with partners in order to maximize the worldwide commercial potential of our programs.

Manufacturing

We do not own or operate, and currently have no plans to establish, any manufacturing facilities. We currently rely, and expect to continue to rely, on third parties for the manufacture of our product candidates for clinical testing, as well as for manufacture of any products that we may commercialize, if approved. To date, we have obtained active pharmaceutical ingredients (API) for ESK-001 and A-005 for our preclinical and clinical testing from different third-party API manufacturers and bulk drug product from other third-party manufacturers. We obtain our preclinical and clinical supplies from these manufacturers on a purchase order basis and currently do not have long-term supply arrangements in place. We are in the process of implementing a redundant supply chain for ESK-001 API, drug product and critical raw material. For all our product candidates, we intend to identify and qualify redundant manufacturers, including entering into long-term agreements, to provide the API and drug product and prior to submission of the NDA to the FDA and/or a marketing authorization application to the European Medicines Agency (EMA) and/or other health authorities. ESK-001 and A-005 are compounds of low molecular weight, generally called small molecules. ESK-001 can be manufactured in reliable and reproducible processes from readily available starting materials. A-005 has been produced in small quantities to support our preclinical studies and is currently being manufactured at larger quantities for clinical testing. The chemistries for ESK-001 and A-005 are amenable to scale-up and do not require unusual equipment in the manufacturing process. Additional contract manufacturers are used to package, label, and distribute investigational drug products. This strategy allows us to maintain a more efficient infrastructure, avoid depending on our own manufacturing facility and equipment while simultaneously enabling us to focus our expertise on developing our products. We expect to continue to develop product candidates that can be produced cost-effectively at contract manufacturing facilities.

Competition

The biopharmaceutical industry is characterized by intense competition and rapid innovation. Our potential competitors include large pharmaceutical and biotechnology companies, specialty pharmaceutical companies and generic drug companies. Many of our potential competitors have greater financial and technical human resources than we do, as well as equal or greater experience in the discovery and development of product candidates, obtaining FDA and other regulatory approvals of products and the commercialization of those products. Accordingly, our potential competitors may be more successful than us in achieving regulatory approvals and commercializing their drugs. We anticipate that we will face intense and increasing competition from existing, approved drugs, as well as new drugs entering the market and emerging technologies that become available. Finally, the development of new treatment methods for the diseases we are targeting could render our product candidates non-competitive or obsolete.

We believe the key competitive factors that will affect the development and commercial success of our product candidates, if approved, will be efficacy, safety, tolerability profile, convenience of dosing, price and coverage by governmental and third-party payors.

We are currently developing ESK-001 for the treatment of PsO, SLE and Uveitis, with multiple other potential indications to follow. Other emerging and established life sciences companies have been focused on similar therapeutics. If approved, ESK-001 would compete with several currently approved or late-stage oral clinical therapeutics, including Otezla (marketed by Amgen Inc.), Sotyktu (marketed by Bristol Myers Squibb Company (BMS)), TAK-279 (in development by Takeda Pharmaceutical Company), VTX-958 (in

development by Ventyx Biosciences, Inc.), JNJ-2113 (in development by Johnson & Johnson), DC-806 (in development by Eli Lilly and Company), as well as new early-stage therapeutic companies that may develop competing molecules. Additional TYK2 agents are under development by BMS, Galapagos NV, Innocare, and Priovant Therapeutics, Inc.

Our second TYK2 product candidate, A-005, is a highly differentiated CNS-penetrant allosteric TYK2 inhibitor that has a potential application in multiple sclerosis (MS) and other neuroinflammatory diseases. In MS, there are a large number of therapies available for the treatment of relapsing forms of MS, including interferon beta regulators, monoclonal antibodies, synthetic immunomodulatory drugs, S1P receptor modulators. Ocrevus, a CD20 antibody marketed by Genentech, Inc., is the only current therapy approved for PPMS for slowing disease progression. We are aware that Biohaven is developing a CNS-penetrant TYK2/JAK1 inhibitor BHV-8000, for which they expect to initiate Phase 2 clinical trials in 2H 2024 in MS as well as Alzheimer's Disease and Parkinson's Disease. BMS has reported that they have a CNS-penetrant TYK2 inhibitor (BMS-986465) positioned for neuroinflammation diseases that will initiate first in human clinical studies soon. Sudo has reported a CNS TYK2 inhibitor (SUDO-550) that is in advanced preclinical studies and Neuron 23 also has disclosed that they have a TYK2 inhibitor program targeting neuroinflammation and MS.

Coverage and Reimbursement

Successful sales of approved drug products in the U.S. market will depend, in part, on the extent to which such drugs will be covered by third-party payors, such as government health programs or private health insurance (including managed care plans). Patients who are provided with prescriptions as part of their medical treatment generally rely on such third-party payors to reimburse all or part of the costs associated with their prescriptions and therefore adequate coverage and reimbursement from such third-party payors are critical to new and ongoing product acceptance. Coverage and reimbursement policies for drug products can differ significantly from payor to payor as there is no uniform policy of coverage and reimbursement for drug products among third-party payors in the United States. There may be significant delays in obtaining coverage and reimbursement as the process of determining coverage and reimbursement is often time consuming and costly. Further, third-party payors are increasingly reducing reimbursements for medical drugs and services and implementing measures to control utilization of drugs (such as requiring prior authorization for coverage).

Additionally, the containment of healthcare costs has become a priority of federal, state and foreign governments, and the prices of drugs have been a focus in this effort. The U.S. government, state legislatures and foreign governments have shown significant interest in implementing cost-containment programs, including price controls, restrictions on reimbursement and requirements for substitution of generic drugs. Adoption or expansion of price controls and cost-containment measures could further limit manufacturers' net revenue and results. Decreases in third-party reimbursement for a manufacturer's drug products or a decision by a third-party payor to not cover its drug products could have a material adverse effect on the manufacturer's sales, results of operations and financial condition.

General legislative cost control measures may also affect reimbursement for drug products. Manufacturers that obtain approval to market a drug candidate in the United States may be subject to spending reductions affecting Medicare, Medicaid or other publicly funded or subsidized health programs and/or any significant taxes or fees.

Government Regulation

Government authorities in the United States, at the federal, state and local level, and in other countries and jurisdictions extensively regulate, among other things, the research, development, testing, manufacture, quality control, approval, packaging, storage, recordkeeping, labeling, advertising, promotion, distribution, marketing, post-approval monitoring and reporting, and import and export of pharmaceutical products. The processes for obtaining regulatory approvals in the United States and in foreign countries and jurisdictions, along with subsequent compliance with applicable statutes and regulations and other regulatory authorities, require the expenditure of substantial time and financial resources.

U.S. Drug Development Process

In the United States, pharmaceutical products are subject to extensive regulation by the U.S. Food and Drug Administration (FDA) under the Federal Food, Drug, and Cosmetic Act (FDCA) and its implementing regulations. The process required by the FDA before a drug may be marketed in the United States generally involves the following:

- completion of nonclinical laboratory tests, animal studies and formulation studies in accordance with Good Laboratory Practice regulations (GLPs) and other applicable regulations;
- submission to the FDA of an Investigational New Drug application (IND), which must become effective before human clinical trials may begin;
- approval by an independent institutional review board (IRB) or ethics committee at each clinical site before each trial may be initiated;
- performance of adequate and well-controlled human clinical trials in accordance with Good Clinical Practice regulations (GCPs) to evaluate the safety and efficacy of the drug for its intended use;
- submission to the FDA of a New Drug Application (NDA);
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the drug is produced to assess compliance with current Good Manufacturing Practice requirements (cGMPs) to assure that the facilities, methods and controls are adequate to preserve the drug's identity, strength, quality and purity, and of inspection of selected clinical investigation sites to assess compliance with GCPs; and
- FDA review and approval of the NDA to permit commercial marketing of the product for particular indications for use in the United States.

Nonclinical tests include laboratory evaluation of product chemistry, formulation and toxicity, as well as animal trials to assess the characteristics and potential safety and efficacy of the product. The conduct of the nonclinical tests must comply with federal regulations and requirements, including GLPs, where applicable. The results of nonclinical testing are submitted to the FDA as part of an IND along with other information, including information about product chemistry, manufacturing and controls (CMC), and a proposed clinical trial protocol. Long-term preclinical tests, such as animal tests of reproductive toxicity and carcinogenicity, may continue after the IND is submitted. An IND automatically becomes effective 30 days after receipt by the FDA, unless before that time the FDA raises concerns or questions related to one or more proposed clinical trials and places the trial on clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin.

Clinical trials involve the administration of the investigational drug to healthy volunteers or patients under the supervision of a qualified investigator. Clinical trials must be conducted: (i) in compliance with federal regulations; (ii) in compliance with GCPs, which are standards meant to protect the rights and health of patients and to define the roles of clinical trial sponsors, administrators and monitors; as well as (iii) under protocols detailing the objectives of the trial, the parameters to be used in monitoring safety, and the effectiveness criteria to be evaluated. Each protocol involving testing on U.S. patients and subsequent protocol amendments must be submitted to the FDA as part of the IND.

The FDA may order the temporary, or permanent, discontinuation of a clinical trial at any time, or impose other sanctions, if it believes that the clinical trial either is not being conducted in accordance with FDA requirements or presents an unacceptable risk to the clinical trial patients. The study protocol and informed consent information for patients in clinical trials must also be submitted to an IRB for approval before a clinical trial commences at the relevant institution. An IRB may also require the clinical trial at the site to be halted, either temporarily or permanently, for failure to comply with the IRB's requirements, or may impose other conditions on the conduct of the study.

Human clinical trials are typically conducted in three sequential phases, but the phases may overlap. In Phase 1, the initial introduction of the drug into healthy subjects or patients, the drug is tested to assess safety, dosage tolerance, metabolism, pharmacokinetics, pharmacological actions, side effects associated with drug exposure and, if possible, to gain early evidence on effectiveness. Phase 2 usually involves trials in a limited patient

population with the specified disease or conditions to evaluate the effectiveness of the drug for a particular indication, to determine optimal dose and regimen, and to identify common AEs and safety risks. If preliminary evidence of effectiveness and an acceptable safety profile is obtained in Phase 2 evaluations, Phase 3 trails are conducted. Phase 3 trials are undertaken to obtain additional information about clinical efficacy and safety in an expanded patient population, typically at geographically dispersed clinical trial sites, to permit the FDA to evaluate the overall benefit-risk relationship of the drug and to provide adequate information for the labeling of the drug.

In most cases, the FDA requires two adequate and well-controlled Phase 3 clinical trials to demonstrate the safety and efficacy of a novel drug product. A single Phase 3 trial may be sufficient in rare instances, including (1) where the study is a large, multicenter trial demonstrating internal consistency and a statistically very persuasive finding of a clinically meaningful effect on mortality, irreversible morbidity or prevention of a disease with a potentially serious outcome and confirmation of the result in a second trial would be practically or ethically impossible or (2) when the single trial is supported by confirmatory evidence.

Post-approval trials, sometimes referred to as Phase 4 studies, may be conducted after initial marketing approval. These trials are used to gain additional experience from the treatment of patients in the intended therapeutic indication. In certain instances, the FDA may mandate the performance of Phase 4 clinical trials as a condition of approval of an NDA.

Concurrent with clinical trials, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the drug and finalize a process for manufacturing the product in commercial quantities in accordance with cGMPs. The manufacturing process must be capable of consistently producing quality batches of the drug and, among other things, the manufacturer must develop methods for testing the identity, strength, quality and purity of the final drug. In addition, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the drug does not undergo unacceptable deterioration over its shelf life.

U.S. Review and Approval Process

After completion of the required clinical testing, the sponsor prepares and submits an NDA to the FDA. FDA approval of the NDA is required before marketing and distribution of the product may begin in the United States. The NDA must include, among other information, the results of all nonclinical, clinical, and other testing along with descriptions of the manufacturing process, analytical tests conducted on the chemistry of the drug, and proposed labeling. The cost of preparing and submitting an NDA is substantial. The submission of most NDAs is additionally subject to a substantial application user fee. Under an approved NDA, the applicant is also subject to an annual program fee. These fees are typically increased annually.

The FDA has 60 days from its receipt of an NDA to determine whether the application will be accepted for filing based on the FDA's threshold determination that it is sufficiently complete to permit substantive review. Once the submission is filed, the FDA begins an in-depth review. Under the Prescription Drug User Fee Act, as amended (PDUFA), the FDA has agreed to certain performance goals in its review of NDAs. For new molecular entity (NME) NDAs that are granted Standard Review, the FDA's goal is to review and act on the NDA within ten months of the date the FDA files the application. For NME NDAs granted a Priority Review, the FDA's goal is to review the NDA within six months of the date the FDA files the application. The FDA may extend its PDUFA goal date for reviewing both standard and priority-review NDAs for three additional months to allow the FDA to consider certain late-submitted information or information intended to clarify information already provided in the NDA submission.

The FDA may also refer applications for novel drugs, as well as drugs that present difficult questions of safety or efficacy, to an advisory committee—typically a panel that includes clinicians and other experts—for review, evaluation and a recommendation as to whether the NDA should be approved. The FDA is not bound by the recommendation of an advisory committee, but it generally follows such recommendations.

Before approving an NDA, the FDA will typically inspect one or more clinical sites to assure compliance with GCP. Additionally, the FDA will generally inspect the facility or the facilities at which the drug is manufactured. The FDA will not approve a drug unless the facility at which the drug is manufactured has a satisfactory cGMP compliance status.

After the FDA evaluates the NDA and completes any clinical and manufacturing site inspections, it issues either an approval letter or a complete response letter. An approval letter authorizes commercial marketing of the drug with prescribing information for specific indications. A complete response letter indicates that the review cycle of the application is complete, and the application will not be approved in its present form. A complete response letter generally outlines the deficiencies in the NDA and may require substantial additional testing or information that must be provided in order for the FDA to reconsider the NDA for approval. If, or when, those deficiencies have been addressed to the FDA's satisfaction in a resubmission of the NDA, the FDA will issue an approval letter. The FDA has committed to reviewing such NDA resubmissions in two or six months from the date of receipt, depending on the type of information included.

As a condition of NDA approval, the FDA may require a risk evaluation and mitigation strategy (REMS) to help ensure that the benefits of the drug outweigh the potential risks. REMS can include medication guides, communication plans for healthcare professionals, and elements to assure safe use (ETASU). ETASU can include, but are not limited to, special training or certification for prescribing or dispensing, dispensing only under certain circumstances, special monitoring, and the use of patient registries. The requirement for a REMS can materially affect the potential market and profitability of the drug. Moreover, the FDA may require substantial post-approval testing and surveillance to monitor the drug's safety or efficacy.

FDA Expedited Development and Review Programs

The FDA has a number of programs intended to expedite the development or review of a marketing application for an investigational drug product. For example, the Fast Track designation program is intended to expedite or facilitate the process for developing and reviewing drug products that meet certain criteria. Specifically, investigational drugs are eligible for Fast Track designation if they are intended to treat a serious or life-threatening disease or condition and demonstrate the potential to address unmet medical needs for the disease or condition. The sponsor of a Fast Track drug candidate has opportunities for more frequent interactions with the applicable FDA review team during product development and, once an NDA is submitted, the application may be eligible for priority review. With regard to a Fast Track drug candidate, the FDA may consider for review sections of the NDA on a rolling basis before the complete application is submitted, if the sponsor provides a schedule for the submission of the sections of the NDA, the FDA agrees to accept sections of the NDA and determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the NDA.

A drug intended to treat a serious or life-threatening disease or condition may also be eligible for Breakthrough Therapy designation to expedite its development and review. An investigational drug can receive Breakthrough Therapy designation if preliminary clinical evidence indicates that the drug, alone or in combination with one or more other drugs or biologics, may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. The designation includes all of the Fast Track program features, as well as more intensive FDA interaction and guidance beginning as early as Phase 1 and an organizational commitment to expedite the development and review of the drug, including involvement of senior managers.

Any drug product submitted to the FDA for approval, including a drug with a Fast Track designation or Breakthrough Therapy Designation, may also be eligible for other types of FDA programs intended to expedite development and review, such as Priority Review. An NDA is eligible for Priority Review if the applicable drug is designed to treat a serious condition, and if approved, would provide a significant improvement in safety or efficacy compared to available therapies. The FDA will attempt to direct additional resources to the evaluation of an NDA for a drug designated for priority review in an effort to facilitate the review. The FDA endeavors to review NDAs for NMEs with Priority Review designations within six months of the filing date as compared to ten months for Standard Review NDAs under its current PDUFA review goals.

Fast Track designation, Breakthrough Therapy designation, and Priority Review do not change the standards for approval but may expedite the development or approval process. Even if a product candidate qualifies for one or more of these programs, the FDA may later decide that the product no longer meets the conditions for qualification or decide that the time period for FDA review or approval will not be shortened.

Disclosure of Clinical Trial Information

Sponsors of clinical trials of FDA-regulated products, including investigational drugs, are required to register and disclose certain clinical trial information on ClinicalTrials.gov. Information related to the product, patient population, phase of investigation, study sites and investigators, and other aspects of the clinical trial is then made public as part of the registration. Sponsors are also obligated to disclose the results of their clinical trials after completion. Disclosure of the results of these trials can be delayed in certain circumstances for up to two years after the date of completion of the trial. Competitors may use this publicly available information to gain knowledge regarding the progress of development programs.

Pediatric Information

Under the Pediatric Research Equity Act, NDAs or supplements to NDAs must contain data to assess the safety and effectiveness of the drug for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the drug is determined by the FDA to be safe and effective. The FDA may grant full or partial waivers or deferrals for submission of data. A deferral may be granted for several reasons, including a finding that the drug is ready for approval for use in adults before pediatric clinical trials are complete or that additional safety or effectiveness data needs to be collected before the pediatric clinical trials begin. The FDA must send a non-compliance letter to any sponsor that fails to submit the required assessment, keep a deferral current or submit a request for approval of a pediatric formulation.

The Best Pharmaceuticals for Children Act (BPCA) provides NDA holders a six-month extension of any exclusivity—patent or nonpatent—for a drug if certain conditions are met. Conditions for exclusivity include the FDA's determination that information relating to the use of a new drug in the pediatric population may produce health benefits in that population, the FDA making a "written request" for pediatric studies, and the applicant agreeing to perform, and reporting on, the requested studies within the statutory timeframe. Applications or supplements to an approved application that propose a labeling change as a result of pediatric studies conducted pursuant to the BPCA are treated as priority applications or supplements, with all of the benefits that designation confers.

Post-Approval Requirements

Any products manufactured or distributed pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to record-keeping, reporting of adverse experiences, periodic reporting, product sampling and distribution, and advertising and promotion of the product. After approval, many changes to the approved product, such as adding new indications, certain manufacturing changes and additional labeling claims, are subject to further FDA review and approval.

Drug manufacturers and certain of their subcontractors are required to register their establishments with the FDA and certain state agencies. Registration with the FDA subjects entities to periodic unannounced inspections by the FDA, during which the FDA inspects manufacturing facilities to assess compliance with cGMP. Changes to the manufacturing process are strictly regulated, and, depending on the significance of the change, may require prior FDA approval before being implemented. Accordingly, manufacturers must continue to expend time, money and effort in the areas of production and quality-control to maintain compliance with cGMP.

The FDA may withdraw approval if compliance with regulatory requirements is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of requirements for post-market studies or clinical studies to assess new safety risks; or imposition of distribution restrictions or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;
- warning or untitled letters;
- clinical holds on clinical studies;
- refusal of the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of product approvals;
- product seizure or detention, or refusal to permit the import or export of products;
- consent decrees, corporate integrity agreements, debarment or exclusion from federal healthcare programs;
- mandated modification of promotional materials and labeling and the issuance of corrective information;
- the issuance of safety alerts, Dear Healthcare Provider letters, press releases and other communications containing warnings or other safety information about the product; or
- injunctions, fines or the imposition of civil or criminal penalties.

The FDA strictly regulates marketing, labeling, advertising and promotion of drugs that are placed on the market. Advertising and promotion of drugs must be in compliance with the FDCA and its implementing regulations and only for the approved indications and in a manner consistent with the approved labeling. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability, including investigation by federal and state authorities.

In addition to regulations in the United States, we will be subject to a variety of regulations in other jurisdictions governing, among other things, clinical trials, authorization, and any commercial sales and distribution of our products. Whether or not we obtain FDA approval of a product, we must obtain the requisite approvals from regulatory authorities in foreign countries prior to the commencement of clinical trials or marketing of the product in those countries. Many countries outside of the United States have a process similar to that in the United States that requires the submission of a clinical trial application (CTA) much like the IND prior to the commencement of human clinical trials.

Although in countries outside of the EU, such as countries in Eastern Europe, Latin America or Asia, the requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary from country to country in all cases, the clinical trials must be conducted in accordance with GCP and the applicable regulatory requirements and the ethical principles that have their origin in the Declaration of Helsinki.

If we or our potential collaborators fail to comply with applicable foreign regulatory requirements, we may be subject to, among other things, fines, suspension, variation or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and criminal prosecution.

Clinical Trials in the EU

Similarly to the United States, the various phases of non-clinical and clinical research in the EU are subject to significant regulatory controls.

The regulatory landscape related to clinical trials in the EU has been subject to recent changes. In the EU, clinical trials are governed by the Clinical Trials Regulation (EU) No 536/2014, or CTR, which entered into application on January 31, 2022 repealing and replacing the former Clinical Trials Directive 2001/20, or CTD.

The CTR is intended to harmonize and streamline CTA, simplify adverse-event reporting procedures, improve the supervision of clinical trials and increase transparency. Specifically, the Regulation, which is directly applicable in all EU member states, introduces a streamlined application procedure through a single-entry point, the "EU portal"; the Clinical Trials Information System, or CTIS; a single set of documents to be prepared and submitted for the application; as well as simplified reporting procedures for clinical trial sponsors. A harmonized procedure for the assessment of applications for clinical trials has been introduced and is

divided into two parts. Part I assessment is led by the competent authorities of a reference member state selected by the trial sponsor and relates to clinical trial aspects that are considered to be scientifically harmonized across EU member states. This assessment is then submitted to the competent authorities of all concerned member states in which the trial is to be conducted for their review. Part II is assessed separately by the competent authorities and ethics committees in each concerned EU member state i.e. all EU member states in which a clinical trial is to be conducted. Individual EU member states retain the power to authorize the conduct of clinical trials on their territory.

The extent to which on-going clinical trials will be governed by the CTR will depend on the duration of the individual clinical trial. Clinical trials for which an application for approval was made on the basis of the CTD (i) before January 31, 2022 or (ii) between January 31, 2022 and January 31, 2023 and for which the sponsor has opted for the application of CTD, remain governed by the CTD until January 31, 2025. By that date, all ongoing trials will become subject to the provisions of the CTR. The CTR will apply to clinical trials from an earlier date if the related clinical trial application was made on the basis of the CTR or if the clinical trial has already transitioned to the CTR framework before January 31, 2025.

Medicinal products used in clinical trials must be manufactured in accordance with the guidelines on GMP and in a GMP certified facility, which is subject to GMP inspections.

Review and approval process of medicinal products in the EU

In the EU, medicinal products can only be commercialized after a related marketing authorization, or MA, has been granted. To obtain an MA for a medicinal product in the EU, an applicant must submit a Marketing Authorization Application, or MAA, either in accordance with a centralized procedure administered by the European Medicines Agency, or EMA, or one of the procedures administered by the competent authorities of EU member states (decentralized procedure, national procedure or mutual recognition procedure). An MA may be granted only to an applicant established in the EU.

A successful application in accordance with the centralized procedure results in the grant of a single MA by the European Commission that is valid throughout the EU. Pursuant to Regulation (EC) No 726/2004, the centralized procedure is compulsory for specific products, including for (i) medicinal products derived from biotechnological processes, (ii) products designated as orphan medicinal products, (iii) advanced therapy medicinal products, or ATMPs, and (iv) products with a new active substance indicated for the treatment of HIV/AIDS, cancer, neurodegenerative diseases, diabetes, auto-immune and other immune dysfunctions and viral diseases. For products with a new active substance indicated for the treatment of other diseases and products that are highly innovative or for which a centralized process is in the interest of patients, authorization through the centralized procedure is optional on related approval.

In accordance with the centralized procedure, the EMA's Committee for Medicinal Products for Human Use, or CHMP, conducts the initial assessment of an application for authorization of a medicinal product. The CHMP is also responsible for several post-authorization and maintenance activities, such as the assessment of variations or extensions to an existing MA. The maximum timeframe for the evaluation of an MAA under the centralized procedure is 210 days, excluding clock stops during which additional information or written or oral explanations are provided by the applicant in response to questions of the CHMP. Accelerated assessment may be granted by the CHMP in exceptional cases, when a medicinal product that targets an unmet medical need is expected to be of major interest from the point of view of public health and, in particular, from the viewpoint of therapeutic innovation. If the CHMP accepts a request for accelerated assessment, the time limit of 210 days will be reduced to 150 days (excluding clock stops). The CHMP can, however, revert to the standard time limit for the centralized procedure if it considers that it is no longer appropriate to conduct an accelerated assessment.

Unlike the centralized authorization procedure, the decentralized MA procedure requires a separate application to, and leads to separate approval by, the competent authorities of each EU member state in which the product is to be marketed. This application is identical to the application that would be submitted to the EMA for authorization through the centralized procedure. The reference EU member state prepares a draft assessment and drafts of the related materials within 120 days after receipt of a valid MAA. The resulting assessment report is submitted to the concerned EU member states who, within 90 days of receipt, must decide whether to approve the assessment report and related materials. If a concerned EU member state

cannot approve the assessment report and related materials due to concerns relating to a potential serious risk to public health, disputed elements may be referred to the Heads of Medicines Agencies' Coordination Group for Mutual Recognition and Decentralized Procedures — Human, or CMDh, for review. The subsequent decision of the European Commission is binding on all EU member states.

The mutual recognition procedure allows companies that have a medicinal product already authorized in one EU member state to apply for this authorization to be recognized by the competent authorities in other EU member states. Like the decentralized procedure, the mutual recognition procedure is based on the acceptance by the competent authorities of the EU member states of the MA granted in relation to a medicinal product by the competent authorities of other EU member states. The holder of a national MA may submit an application to the competent authority of an EU member state requesting that this authority recognize the MA delivered by the competent authority of another EU member state.

An MA has, in principle, an initial validity of five years. The MA may be renewed after five years on the basis of a re-evaluation of the risk-benefit balance by the EMA or by the competent authority of the EU member state in which the original MA was granted. To support the application, the MA holder must provide the EMA or the competent authority with a consolidated version of the Common Technical Document providing up-to-date data concerning the quality, safety and efficacy of the product, including all variations introduced since the MA was granted, at least nine months before the MA ceases to be valid. The European Commission or the competent authorities of the EU member states may decide on justified grounds relating to pharmacovigilance, to proceed with one further five year renewal period for the MA. Once subsequently definitively renewed, the MA shall be valid for an unlimited period. Any authorization which is not followed by the actual placing of the medicinal product on the EU market (for a centralized MA) or on the market of the authorizing EU member state within three years after authorization ceases to be valid (the so-called sunset clause) unless, in justified circumstances, authorization is extended.

Innovative products that target an unmet medical need and are expected to be of major public health interest may be eligible for a number of expedited development and review programs, such as the PRIority MEdicines, or PRIME, scheme, which provides incentives similar to the breakthrough therapy designation in the U.S. PRIME is a voluntary scheme aimed at enhancing the EMA's support for the development of medicinal products that target unmet medical needs. Eligible products must target conditions for which there is an unmet medical need; i.e., where there is no satisfactory method of diagnosis, prevention or treatment in the EU or, if there is, the new medicinal product will bring a major therapeutic advantage. The products must demonstrate the potential to address the unmet medical need by introducing new methods of therapy or improving existing ones. Benefits accrue to sponsors of product candidates with PRIME designation, including but not limited to, early and proactive regulatory dialogue with the EMA, frequent discussions on clinical trial designs and other development program elements, and potentially accelerated MAA assessment once a dossier has been submitted.

In the EU, a "conditional" MA may be granted in cases where all the required safety and efficacy data are not yet available. The European Commission may grant a conditional MA for a medicinal product if it is demonstrated that all of the following criteria are met: (i) the benefit-risk balance of the medicinal product is positive; (ii) it is likely that the applicant will be able to provide comprehensive data post-authorization; (iii) the medicinal product fulfils an unmet medical need; and (iv) the benefit of the immediate availability to patients of the medicinal product is greater than the risk inherent in the fact that additional data are still required. The conditional MA is subject to conditions to be fulfilled for generating the missing data or ensuring increased safety measures. It is valid for one year and must be renewed annually until all related conditions have been fulfilled. Once any pending studies are provided, the conditional MA can be converted into a standard MA. However, if the conditions are not fulfilled within the timeframe set by the EMA and approved by the European Commission, the MA will cease to be renewed.

An MA may also be granted "under exceptional circumstances" where the applicant can show that it is unable to provide comprehensive data on efficacy and safety under normal conditions of use even after the product has been authorized and subject to specific procedures being introduced. These circumstances may arise in particular when the intended indications are very rare and, in the state of scientific knowledge at that time, it is not possible to provide comprehensive information, or when generating data may be contrary to generally accepted ethical principles. Like a conditional MA, an MA granted in exceptional circumstances is reserved to medicinal products intended to be authorized for treatment of rare diseases or unmet medical needs for which

the applicant does not hold a complete data set that is required for the grant of a standard MA. However, unlike the conditional MA, an applicant for authorization in exceptional circumstances is not subsequently required to provide the missing data. Although the MA "under exceptional circumstances" is granted definitively, the risk-benefit balance of the medicinal product is reviewed annually, and the MA will be withdrawn if the risk-benefit ratio is no longer favorable.

Pediatric Development in the EU

In the EU, Regulation (EC) No 1901/2006 provides that all MAAs for new medicinal products must include the results of trials conducted in the pediatric population, in compliance with a pediatric investigation plan, or PIP, agreed with the EMA's Pediatric Committee, or PDCO. The PIP sets out the timing and measures proposed to generate data to support a pediatric indication of the medicinal product for which MA is being sought. The PDCO can grant a deferral of the obligation to implement some or all of the measures provided in the PIP until there are sufficient data to demonstrate the efficacy and safety of the product in adults. Further, the obligation to provide pediatric clinical trial data can be waived by the PDCO when these data are not needed or appropriate because the product is likely to be ineffective or unsafe in children, the disease or condition for which the product is intended occurs only in adult populations, or when the product does not represent a significant therapeutic benefit over existing treatments for pediatric patients. Once the MA is obtained in all EU member states and study results are included in the product information, even when negative, the product is eligible for a six-month extension to the Supplementary Protection Certificate, or SPC, if any is in effect at the time of authorization or, in the case of orphan medicinal products, a two-year extension of orphan market exclusivity.

Data and Market Exclusivity in the EU

The EU provides opportunities for data and market exclusivity related to MAs. Upon receipt of an MA, innovative medicinal products (i.e., reference products) are generally entitled to benefit from eight years of data exclusivity and an additional two years of market exclusivity. Data exclusivity, if granted, prevents generic and biosimilar applicants from relying on the preclinical and clinical trial data contained in the dossier of the reference product when applying for a generic or biosimilar MA in the EU during a period of eight years from the date on which the reference product was first authorized in the EU. The market exclusivity period prevents a successful generic or biosimilar applicant from commercializing its product in the EU until ten years have elapsed from the initial MA of the reference product in the EU. The overall ten-year market exclusivity period may, occasionally, be extended for a further year to a maximum of 11 years if, during the first eight years of those ten years, the MA holder obtains an authorization for one or more new therapeutic indications which, during the scientific evaluation prior to their authorization, are held to bring a significant clinical benefit in comparison with existing therapies. However, there is no guarantee that a product will be considered by the EU's regulatory authorities to be a new chemical/biological entity, and products may not qualify for data exclusivity.

In the EU, there is a special regime for biosimilars, or biological medicinal products that are similar to a reference medicinal product but that do not meet the definition of a generic medicinal product. For such products, the results of appropriate preclinical or clinical trials must be provided in support of an application for MA. Guidelines from the EMA detail the type of quantity of supplementary data to be provided for different types of biological product.

Manufacturing Regulation in the EU

In addition to an MA, various other requirements apply to the manufacture and placing on the EU market of medicinal products. The manufacture of medicinal products in the EU requires a manufacturing authorization. Moreover, import of medicinal products into the EU requires a manufacturing authorization allowing for import. The holder of a manufacturing authorization must comply with various requirements set out in the applicable EU laws, regulations and guidance, including GMP standards. Similarly, the distribution of medicinal products within the EU is subject to compliance with applicable EU laws, regulations and guidelines, including the requirement to hold appropriate authorizations for distribution granted by the competent authorities of EU member states. MA holders and/or manufacturing and import authorization, or MA holders and/or distribution authorization holders may be subject to civil, criminal or administrative sanctions,

including suspension of manufacturing authorization, in case of non-compliance with the EU or EU member states' requirements applicable to the manufacturing of medicinal products.

Post-authorization Requirements in the EU

Where an MA is granted in relation to a medicinal product in the EU, the holder of the MA is required to comply with a range of regulatory requirements applicable to the manufacture, marketing, promotion and sale of medicinal products. Similar to the United States, both MA holders and manufacturers of medicinal products are subject to comprehensive regulatory oversight by the EMA, the European Commission and/or the competent regulatory authorities of the individual EU member states. The holder of an MA must establish and maintain a pharmacovigilance system and appoint an individual qualified person for pharmacovigilance who is responsible for oversight of that system. Key obligations include expedited reporting of suspected serious adverse reactions and submission of periodic safety update reports, or PSURs.

All new MAAs must include a risk management plan, or RMP, describing the risk management system that the company will put in place and documenting measures to prevent or minimize the risks associated with the product. The regulatory authorities may also impose specific obligations as a condition of the MA. Such risk minimization measures or post-authorization obligations may include additional safety monitoring, more frequent submission of PSURs, or the conduct of additional clinical trials or post-authorization safety studies.

In the EU, the advertising and promotion of medicinal products are subject to both EU and EU member states' laws governing promotion of medicinal products, interactions with physicians and other healthcare professionals, misleading and comparative advertising and unfair commercial practices. General requirements for advertising and promotion of medicinal products, such as direct-to-consumer advertising of prescription medicinal products are established in EU law. However, the details are governed by regulations in individual EU member states and can differ from one country to another. For example, applicable laws require that promotional materials and advertising in relation to medicinal products comply with the product's Summary of Product Characteristics, or SmPC, which may require approval by the competent national authorities in connection with an MA. The SmPC is the document that provides information to physicians concerning the safe and effective use of the product. Promotional activity that does not comply with the SmPC is considered off-label and is prohibited in the EU.

The aforementioned EU rules are generally applicable in the EEA (which is comprised of the 27 EU member states plus Norway, Iceland and Liechtenstein).

Failure to comply with EU and member state laws that apply to the conduct of clinical trials, manufacturing approval, MA of medicinal products and marketing of such products, both before and after grant of the MA, manufacturing of pharmaceutical products, statutory health insurance, bribery and anti-corruption or with other applicable regulatory requirements may result in administrative, civil or criminal penalties. These penalties could include delays or refusal to authorize the conduct of clinical trials, or to grant MA, product withdrawals and recalls, product seizures, suspension, withdrawal or variation of the MA, total or partial suspension of production, distribution, manufacturing or clinical trials, operating restrictions, injunctions, suspension of licenses, fines and criminal penalties.

Pricing, Coverage and Reimbursement in the EU

In the EU, pricing and reimbursement schemes vary widely from country to country. Some EU member states may approve a specific price for a product, or they may instead adopt a system of direct or indirect controls on the profitability of the company placing the product on the market. Other EU member states allow companies to fix their own prices for products but monitor and control prescription volumes and issue guidance to physicians to limit prescriptions.

In addition, some EU member states may require the completion of additional studies that compare the cost-effectiveness of a particular medicinal product candidate to currently available therapies. This Health Technology Assessment, or HTA, process is the procedure according to which the assessment of the public health impact, therapeutic impact and the economic and societal impact of use of a given medicinal product in the national healthcare systems of the individual country is conducted. The outcome of HTA regarding

specific medicinal products will often influence the pricing and reimbursement status granted to these medicinal products by the competent authorities of individual EU member states.

On December 13, 2021, Regulation No 2021/2282 on HTA amending Directive 2011/24/EU, was adopted in the EU. While the Regulation entered into force in January 2022, it will only begin to apply from January 2025 onwards, with preparatory and implementation-related steps to take place in the interim. Once applicable, it will have a phased implementation depending on the concerned products. The Regulation intends to boost cooperation among EU member states in assessing health technologies, including new medicinal products, and provide the basis for cooperation at EU level for joint clinical assessments in these areas. The Regulation will permit EU member states to use common HTA tools, methodologies, and procedures across the EU, working together in four main areas, including joint clinical assessment of the innovative health technologies with the most potential impact for patients, joint scientific consultations whereby developers can seek advice from HTA authorities, identification of emerging health technologies to identify promising technologies early, and continuing voluntary cooperation in other areas. Individual EU member states will continue to be responsible for assessing non-clinical (e.g., economic, social, ethical) aspects of health technologies, and making decisions on pricing and reimbursement. If we are unable to maintain favorable pricing and reimbursement status in EU member states for product candidates that we may successfully develop and for which we may obtain regulatory approval, any anticipated revenue from and growth prospects for those products in the EU could be negatively affected.

United Kingdom Regulation

Since the end of the Brexit transition period on January 1, 2021, Great Britain (England, Scotland and Wales) has not been directly subject to EU laws, however under the terms of the Ireland/Northern Ireland Protocol, EU laws generally apply to Northern Ireland. It is currently unclear to what extent the UK Government will seek to align its regulations with those of the EU. The EU laws that have been transposed into UK law through secondary legislation remain applicable in Great Britain. However, EU legislation which has taken effect post-Brexit, such as the (EU) CTR, is not applicable in Great Britain.

The UK regulatory framework in relation to clinical trials is derived from the (EU) CTD (as implemented into UK law, through secondary legislation). On January 17, 2022, the UK Medicines and Healthcare products Regulatory Agency, or MHRA, launched an eight-week consultation on reframing the UK legislation for clinical trials with specific aims to streamline clinical trials approvals, enable innovation, enhance clinical trials transparency, enable greater risk proportionality, and promote patient and public involvement in clinical trials. The MHRA published its consultation outcome on March 21, 2023 in which it confirmed that it would update the existing legislation. The resulting legislative changes will ultimately determine the extent to which the UK regulations align with the CTR.

Japanese Regulation

Manufacturers and sellers of drugs, quasi-drugs, cosmetics, medical devices and regenerative medical products (Designated Products) in Japan are subject to the supervision of Japan's Ministry of Health, Labour and Welfare (MHLW) primarily under the Act on Securing Quality, Efficacy and Safety of Pharmaceuticals, Medical Devices, Regenerative and Cellular Therapy Products, Gene Therapy Products, and Cosmetics of Japan (PMDA or PMD Act). Under the PMD Act, the relevant licenses must be obtained from the MHLW in order to conduct the business of manufacturing, marketing or selling Designated Products.

Applications for the approval of new products are made through the PMDA. The clinical trial data and other pertinent data must be attached to the application for approval. If the drugs, medical devices or regenerative medical products under application are of types designated by ministerial ordinance of the MHLW, the attached data mentioned above must be obtained in compliance with the standards established by the minister of the MHLW (Minister), such as the Good Laboratory Practice (GLP) and the Good Clinical Practice (GCP). Once an application for approval is submitted, a review team is formed, which consists of specialized officials of the PMDA, including experts on chemistry/manufacturing, non-clinical, clinical, and biostatistics. Team evaluation results are passed to the PMDA's external experts, who then report back to the PMDA. After a further team evaluation, a report is provided to the Minister; the Minister makes a final determination for approval and refers this to the Council on Drugs and Foods Sanitation, which then advises the MHLW on final approvability. Marketing and distribution approvals require a review to determine whether or not the

product in the application is suitable as a drug to be manufactured and distributed with which a manufacturing and distribution business license for the type of drug concerned has been obtained, and to confirm that the product has been manufactured in a plant compliant with the GMP.

Once the MHLW has approved the application, the company can make the new drug available for physicians to prescribe. After that, the MHLW lists its National Health Insurance price within 60 days (or 90 days at the latest) from the approval, and physicians can obtain reimbursement. For some medications, the MHLW requires additional post marketing studies (Phase 4) to further evaluate safety and/or to gather information concerning the quality, efficacy, and safety of the product under specified conditions, in addition to post marketing surveillance including Early Post-marketing Phase Vigilance (EPPV) based on the risk management plan (RMP) for all new medications. The MHLW also requires the drug's sponsor to submit periodic safety update reports. Within three months from the specified re-examination period, which is designated at the time of the approval of the application for the new product, the company must submit a re-examination application to enable the drug's quality, efficacy, and safety to be reassessed against approved labeling by the PMDA.

The PMD Act also provides for special regulations applicable to drugs, quasi-drugs, cosmetics and medical devices made of biological raw materials. These regulations impose various obligations on manufacturers and other persons in relation to manufacturing facilities, explanation to patients, labeling on products, record-keeping and reporting to the Minister.

Under the PMD Act, the Minister may take various measures to supervise manufacturing and marketing license holders of Designated Products. The Minister has the authority to order manufacturing and marketing license holders to temporarily suspend the marketing, leasing or providing of the Designated Products to prevent risks or increases in risks to the public health. Also, the Minister may revoke a license or approval granted to a manufacturing and marketing license holder or order a temporary business suspension under certain limited circumstances such as violation of laws relating to drugs.

The Hatch-Waxman Amendments

Orange Book Listing

Under the Drug Price Competition and Patent Term Restoration Act of 1984, commonly referred to as the Hatch Waxman Amendments, NDA applicants are required to identify to FDA each patent whose claims cover the applicant's drug or approved method of using the drug. Upon approval of a drug, the applicant must update its listing of patents to the NDA in timely fashion and each of the patents listed in the application for the drug is then published in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations, commonly known as the Orange Book.

Drugs listed in the Orange Book can, in turn, be cited by potential generic competitors in support of approval of an abbreviated new drug application (ANDA). An ANDA provides for marketing of a drug product that has the same active ingredient(s), strength, route of administration and dosage form as the listed drug and has been shown through bioequivalence testing to be therapeutically equivalent to the listed drug. An approved ANDA product is considered to be therapeutically equivalent to the listed drug. Other than the requirement for bioequivalence testing, ANDA applicants are not required to conduct, or submit results of, preclinical or clinical tests to prove the safety or effectiveness of their drug product. Drugs approved under the ANDA pathway are commonly referred to as "generic equivalents" to the listed drug and can often be substituted by pharmacists under prescriptions written for the original listed drug pursuant to each state's laws on drug substitution.

The ANDA applicant is required to certify to the FDA concerning any patents identified for the reference listed drug in the Orange Book. Specifically, the applicant must certify to each patent in one of the following ways: (i) the required patent information has not been filed; (ii) the listed patent has expired; (iii) the listed patent has not expired but will expire on a particular date and approval is sought after patent expiration; or (iv) the listed patent is invalid or will not be infringed by the new product. A certification that the new product will not infringe the already approved product's listed patents, or that such patents are invalid, is called a Paragraph IV certification. For patents listed that claim an approved method of use, under certain circumstances the ANDA applicant may also elect to submit a section viii statement certifying that its proposed

ANDA label does not contain (or carves out) any language regarding the patented method-of-use rather than certify to a listed method-of-use patent. If the applicant does not challenge the listed patents through a Paragraph IV certification, the ANDA application will not be approved until all the listed patents claiming the referenced product have expired. If the ANDA applicant has provided a Paragraph IV certification to the FDA, the applicant must also send notice of the Paragraph IV certification to the NDA-holder and patentee(s) once the ANDA has been received by the FDA for review (referred to as the "notice letter"). The NDA and patent holders may then initiate a patent infringement lawsuit in response to the notice letter. The filing of a patent infringement lawsuit within 45 days of the receipt of a Paragraph IV certification automatically prevents the FDA from approving the ANDA until the earlier of 30 months from the date the notice letter is received, expiration of the patent, the date of a settlement order or consent decree signed and entered by the court stating that the patent that is the subject of the certification is invalid or not infringed, or a decision in the patent case that is favorable to the ANDA applicant.

The ANDA application also will not be approved until any applicable non-patent exclusivity listed in the Orange Book for the referenced product has expired. In some instances, an ANDA applicant may receive approval prior to expiration of certain non-patent exclusivity if the applicant seeks, and FDA permits, the omission of such exclusivity-protected information from the ANDA prescribing information.

Hatch-Waxman Exclusivity

Market exclusivity provisions under the FDCA can delay the submission or the approval of certain marketing applications. For example, upon NDA approval of a new chemical entity (NCE), which is a drug that contains no active moiety that has been approved by FDA in any other NDA, that drug receives five years of non-patent data exclusivity during which FDA cannot receive (1) any ANDA seeking approval of a generic version of that drug or (2) an NDA submitted under Section 505(b)(2) of the FDCA (505(b)(2) NDA) by another company for another drug based on the same active moiety, regardless of whether the drug is intended for the same indication as the original innovative drug or for another indication. However, an ANDA or a 505(b)(2) NDA may be submitted after four years if it contains a certification of patent invalidity or non-infringement to one of the patents listed with the FDA by the innovator NDA holder (i.e., a Paragraph IV certification).

The FDCA also provides three years of marketing exclusivity for an NDA or supplement to an existing NDA if new clinical investigations, other than bioavailability studies, that were conducted or sponsored by the applicant are deemed by the FDA to be essential to the approval of the application, for example new indications, dosages or strengths of an existing drug. This three-year exclusivity covers only the modification for which the drug received approval on the basis of the new clinical investigations and does not prohibit the FDA from approving ANDAs or 505(b)(2) NDAs for drugs containing the active moiety for any other indication or condition of use. Five-year and three-year exclusivity will not delay the submission or approval of a full NDA. However, an applicant submitting a full NDA would be required to conduct, or obtain a right of reference to, all of the nonclinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and effectiveness.

Patent Term Extension

The Hatch Waxman Amendments permit a patent term extension as compensation for patent term lost during the FDA regulatory review process. Patent term extension, however, cannot extend the remaining term of a patent beyond a total of 14 years from the product's approval date. After NDA approval, owners of relevant drug patents may apply for the extension. The allowable patent term extension is calculated as half of the drug's testing phase (the time between IND application and NDA submission) and all of the review phase (the time between NDA submission and approval) up to a maximum of five years. The time can be reduced for any time FDA determines that the applicant did not pursue approval with due diligence.

The United States Patent and Trademark Office (USPTO) in consultation with the FDA, reviews and approves the application for any patent term extension or restoration. However, the USPTO may not grant an extension because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents or otherwise

failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than requested.

The total patent term after the extension may not exceed 14 years, and only one patent can be extended. The application for the extension must be submitted prior to the expiration of the patent, and for patents that might expire during the application phase, the patent owner may request an interim patent extension. An interim patent extension increases the patent term by one year and may be renewed up to four times. For each interim patent extension granted, the post-approval patent extension is reduced by one year. The director of the USPTO must determine that approval of the drug covered by the patent for which a patent extension is being sought is likely. Interim patent extensions are not available for a drug for which an NDA has not been submitted.

Other U.S. Regulatory Matters

Manufacturing, sales, promotion and other activities following drug approval are also subject to regulation by numerous regulatory authorities in addition to the FDA, including, in the United States, the Centers for Medicare & Medicaid Services (CMS), other divisions of the Department of Health and Human Services, the Consumer Product Safety Commission, the Federal Trade Commission, the Occupational Safety & Health Administration, the Environmental Protection Agency and state and local governments.

The failure to comply with regulatory requirements subjects manufacturers to possible legal or regulatory action.

Data Privacy and Security Laws

Numerous state, federal and foreign laws, regulations and standards govern the collection, use, access to, confidentiality and security of health-related and other personal information. In the United States, numerous federal and state laws and regulations, including data breach notification laws, health information privacy and security laws and consumer protection laws and regulations govern the collection, use, disclosure, and protection of health-related and other personal information. For example, the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (HITECH) and their respective implementing regulations, impose privacy, security and breach notification obligations on certain health care providers, health plans, and health care clearinghouses, known as covered entities, as well as their business associates that perform certain services that involve creating, receiving, maintaining or transmitting individually identifiable health information for or on behalf of such covered entities. Entities that are found to be in violation of HIPAA may be subject to significant civil, criminal and administrative fines and penalties, and/or additional reporting and oversight obligations if required to enter into a resolution agreement and corrective action plan with HHS to settle allegations of HIPAA non-compliance. Further, entities that knowingly obtain, use, or disclose individually identifiable health information maintained by a HIPAA covered entity in a manner that is not authorized or permitted by HIPAA may be subject to criminal penalties. In addition, certain state laws govern the privacy and security of personal information, including health-related information, in certain circumstances. Failure to comply with these laws, where applicable, can result in the imposition of significant civil and/or criminal penalties and private litigation. For example, the California Consumer Privacy Act, which went into effect on January 1, 2020, created new data privacy obligations for covered companies and provides new privacy rights to California residents. On January 1, 2023, the California Privacy Rights Act, which substantially amends the CCPA, went into effect. The CCPA and CPRA provide for unlimited civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. Other states have also enacted, proposed, or are considering proposing, data privacy laws. In addition, certain foreign laws govern the privacy and security of personal data, including health-related data. Privacy and security laws, regulations, and other obligations are constantly evolving, may conflict with each other to complicate compliance efforts, and can result in investigations, proceedings, or actions that lead to significant civil and/or criminal penalties and restrictions on data processing.

Other U.S. Healthcare Laws

Pharmaceutical manufacturers are subject to numerous federal and state laws and regulations including, without limitation, state and federal anti-kickback, fraud and abuse, false claims and transparency laws, such as the following:

- federal Anti-Kickback Statute, which prohibit, among other things, persons from knowingly and willfully offering, soliciting, receiving or providing remuneration, directly or indirectly, to induce either the referral of an individual, for an item or service or the purchasing or ordering of a good or service, for which payment may be made under federal healthcare programs such as Medicare and Medicaid. 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;
- federal false claims laws, including the False Claim Act and the Civil Monetary Penalties Law, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, information or claims for payment from Medicare, Medicaid, or other third-party payers that are false or fraudulent. In addition, a claim including items or services resulting from a violation of the U.S. federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act;
- HIPAA, which prohibits, among other things, executing or attempting to execute a scheme to defraud any healthcare benefit program (including private health plans) or making false statements relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- the FDCA, which among other things, strictly regulates drug product and medical device marketing, prohibits manufacturers from marketing such products prior to approval or for off-label use and regulates the distribution of samples;
- federal laws that require pharmaceutical manufacturers to report certain calculated product prices to the government or provide certain discounts or rebates to government authorities or private entities, often as a condition of reimbursement under government healthcare programs;
- the federal Physician Payments Sunshine Act, which requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to the CMS information related to payments or other transfers of value made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), other healthcare professionals (such as physician assistants and nurse practitioners) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members; and
- state law equivalents of the above federal laws, such as anti-kickback and false claims laws, which may apply to items or services reimbursed by any third-party payer, including private insurers, state transparency laws, and state laws limiting interactions between pharmaceutical manufacturers and members of the healthcare industry, many of which differ from each other in significant ways and may not have the same effect, and often are not preempted by HIPAA.

U.S. Healthcare Reform

The United States government, state legislatures, and foreign governments have shown significant interest in implementing cost containment programs to limit the growth of government-paid healthcare costs, including price-controls, restrictions on reimbursement, and requirements for substitution of generic products for branded prescription drugs. For example, in March 2010, the Affordable Care Act (the ACA) was passed which substantially changed the way healthcare is financed by both the government and private insurers and continues to significantly impact the U.S. pharmaceutical industry.

Several healthcare reform proposals recently culminated in the enactment of the Inflation Reduction Act (IRA) in August 2022, which, among other things, allows the Department of Health and Human Services (HHS) to directly negotiate the selling price of a statutorily specified number of drugs and biologics each year that CMS reimburses under Medicare Part B and Part D. Only high-expenditure single-source drugs that have been approved for at least 7 years (11 years for biologics) can be selected by CMS for negotiation, with the negotiated price taking effect two years after the selection year. Negotiations for Medicare Part D products take place in 2024 with the negotiated price taking effect in 2026, and negotiations for Medicare Part B products will begin in 2026 with the negotiated price taking effect in 2028. In August 2023, HHS announced

the ten Medicare Part D drugs and biologics that it selected for negotiations. HHS will announce the negotiated maximum fair prices by September 1, 2024, and this price cap, which cannot exceed a statutory ceiling price, will go into effect on January 1, 2026. A drug or biological product that has an orphan drug designation for only one rare disease or condition will be excluded from the IRA's price negotiation requirements, but will lose that exclusion if it receives designations for more than one rare disease or condition, or if is approved for an indication that is not within that single designated rare disease or condition, unless such additional designation or such disqualifying approvals are withdrawn by the time CMS evaluates the drug for selection for negotiation. The IRA also imposes rebates on Medicare Part B and Part D drugs whose prices have increased at a rate greater than the rate of inflation. The IRA also extends enhanced subsidies for individuals purchasing health insurance coverage in ACA marketplaces through plan year 2025. The IRA permits the Secretary of HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years. Manufacturers that fail to comply with the IRA may be subject to various penalties, including significant civil monetary penalties. These provisions have been and may continue to be subject to legal challenges. For example, the provisions related to the negotiation of selling prices of high-expenditure single-source drugs and biologics have been challenged in multiple lawsuits brought by pharmaceutical manufacturers. Thus, while it is unclear how the IRA will be implemented, it will likely have a significant impact on the biopharmaceutical industry and the pricing of prescription drug products.

Employees and Human Capital Resources

As of March 31, 2024, we had 107 full-time employees and 2 part-time employees, consisting of clinical, scientific, development, regulatory, finance and operational personnel. None of our employees is subject to a collective bargaining agreement. We consider our relationship with our employees to be good.

We recognize that our culture is central to the productivity, agility, scalability and competitiveness of our operation, and is essential to our success. We are clear and consistent in our company values and we communicate and support an employee value proposition. Our proposition is centered with unique and impactful professional development opportunities within an environment of inclusive representation and diverse thinking as a unifying force and business differentiator. Our employees are critical to our long-term success and are essential to helping us meet our goals. Among other things, we support and incentivize our employees in the following ways:

- *Talent development, compensation and retention:* Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and additional employees. The principal purposes of our equity incentive plans are to attract, retain and motivate selected employees, consultants and directors through the granting of stock-based compensation awards.
- *Health and safety:* We support the health and safety of our employees by providing comprehensive insurance benefits, an employee assistance program, company-paid holidays, a personal time-off program and other additional benefits which are intended to assist employees to manage their well-being.
- *Inclusion and diversity:* We are committed to efforts to increase diversity and foster an inclusive work environment that supports our workforce.

Facilities

Our principal executive office is located in South San Francisco, California. We entered into the lease for our principal executive office in August 2022, for approximately 55,000 square feet of combined office and laboratory space in South San Francisco, which will expire in August 2033. We believe our facilities are adequate and suitable for our current needs, and that should it be needed, suitable additional or alternative space will be available to accommodate our operations.

Legal Proceedings

From time to time, we may become involved in material legal proceedings or be subject to claims arising in the ordinary course of our business. We are currently not party to any legal proceedings material to our operations or of which any of our property is the subject, nor are we aware of any such proceedings that are contemplated by a government authority. Regardless of outcome, such proceedings or claims can have an adverse impact on us because of defense and settlement costs, diversion of resources, and other factors, and there can be no assurances that favorable outcomes will be obtained.

MANAGEMENT

Executive Officers and Directors

The following table sets forth information regarding our executive officers and directors as of June 7, 2024.

Name	Age	Position
Executive Officers:		
Martin Babler	59	President and Chief Executive Officer, Chairman
Mark Bradley	59	Chief Development Officer
Jörn Drappa, M.D., Ph.D.	59	Chief Medical Officer
David M. Goldstein, Ph.D.	58	Chief Scientific Officer
Roy Hardiman	64	Chief Business and Legal Officer
John Schroer	58	Chief Financial Officer
Sara Klein	60	General Counsel
Derrick Richardson	54	Senior Vice President of People and Culture
Non-Employee Directors:		
Alan B. Colowick, M.D., M.P.H.	62	Director
Sapna Srivastava, Ph.D.	53	Director
James B. Tananbaum, M.D.	61	Director
Zhengbin Yao, Ph.D.	58	Director
Srinivas Akkaraju, M.D., Ph.D.	56	Director

Executive Officers

Martin Babler has served as our President, Chief Executive, and chairman of our board of directors since September 2021. From April 2011 until November 2020, he served as President and Chief Executive Officer at Principia Biopharma Inc., a biotechnology company acquired by Sanofi S.A. in September 2020. From December 2007 to April 2011, Mr. Babler served as President and Chief Executive Officer of Talima Therapeutics, Inc., a pharmaceutical company. From 1998 to 2007, Mr. Babler held several positions at Genentech, Inc., a biopharmaceutical company, most notably as Vice President, Immunology Sales and Marketing. Mr. Babler presently serves on the board of directors of Prelude Therapeutics Inc., a biopharmaceutical company, and Sardona Therapeutics, Inc. Mr. Babler received a Swiss Federal Diploma in pharmacy from the Federal Institute of Technology in Zurich and completed the Executive Development Program at the Kellogg Graduate School of Management at Northwestern University. We believe that Mr. Babler's industry and leadership roles, and his knowledge of our company as Chief Executive Officer, makes him well qualified to serve on our board of directors.

Mark Bradley has served as our Chief Development Officer since May 2021. From November 2020 to March 2021, Mr. Bradley served as Senior Vice President and Site Head at The Bristol-Myers Squibb Company, a biopharmaceutical company, after its acquisition of MyoKardia, Inc., a precision medicine company focused on treating cardiovascular diseases, in November 2020. From November 2017 to November 2020, Mr. Bradley held roles of increasing responsibility at MyoKardia, most recently as Senior Vice President, Development. From 2004 to 2017, Mr. Bradley held roles of increasing responsibility at Genentech, Inc., a biopharmaceutical company, most recently as Head, Business Management gRED Clinical Operations. Mr. Bradley began his career at UCSF in public health research. Mr. Bradley received an M.A. and B.A. from University of California, Berkeley.

Jörn Drappa, M.D., Ph.D., has served as our Chief Medical Officer and Head of Research and Development since September 2022. From February 2018 to March 2021, Dr. Drappa served as the Chief Medical Officer and Head of Research and Development at Viela Bio, Inc., a biotechnology company. From May 2011 to February 2018, Dr. Drappa served in various roles at MedImmune, the biologics division of AstraZeneca plc, including as Vice President of Clinical Development. From August 2008 to May 2011, Dr. Drappa served as

Senior Medical Director for the Inflammation and Autoimmune assets at Genentech, Inc., a biopharmaceutical company. Dr. Drappa received his M.D. and a Ph.D. from the University of Cologne in Germany. He performed his postgraduate studies at Cornell Medical School/Hospital for Special Surgery, followed by residency at New York Hospital and rheumatology fellowship at the Hospital for Special Surgery.

David M. Goldstein, Ph.D., has served as our Chief Scientific Officer since September 2021. From September 2020 to September 2021, Dr. Goldstein served as Site Head and Chief Scientific Officer of Principia Biopharma Inc., a biopharmaceutical company acquired by Sanofi S.A.in September 2020. From March 2016 to September 2020, Dr. Goldstein served in various roles at Principia Biopharma Inc., including as the Chief Scientific Officer from March 2016 to September 2020. From July 1994 to February 2011, Dr. Goldstein held positions of increasing responsibility at Roche Holding AG, a pharmaceutical company, most recently serving as Senior Director, Medicinal Chemistry and Head of Inflammation Chemistry. Dr. Goldstein was also previously a Consulting Assistant Professor at Stanford University. Dr. Goldstein received a Ph.D. in chemistry from the University of Virginia and a B.A. in chemistry from Franklin and Marshall College.

Roy Hardiman has served as our Chief Business and Legal Officer since September 2021. From January 2015 to September 2020, Mr. Hardiman served as the Chief Business Officer of Principia Biopharma Inc., a biotechnology company acquired by Sanofi S.A. in 2020. From 2010 to 2012, Mr. Hardiman was a director of Pharmacyclics Inc., a biopharmaceutical company, and chaired the Nominating and Corporate Governance Committee of Pharmacyclics. From 1990 to 2009, Mr. Hardiman held leadership positions at Genentech, Inc., a biopharmaceutical company, including Vice President of Alliance Management, Vice President, Corporate Law and Assistant Secretary, Director and Far East Representative, Business Development. From 1987 to 1990, Mr. Hardiman was an attorney at Morrison & Foerster LLP. Mr. Hardiman received his J.D. from University of California, Los Angeles School of Law, his M.A. in Biology and his B.A. in pharmacology from University of California, Santa Barbara. Mr. Hardiman serves on the Board of Trustees of the University of California, Santa Barbara Foundation.

John Schroer has served as our Chief Financial Officer since May 2022. From February 2021 to February 2022, Mr. Schroer served as Chief Financial Officer at ArsenalBio Inc., a biotechnology company. From May 2018 to December 2020, Mr. Schroer served as Chief Financial Officer and Treasurer at Translate Bio, Inc., a biotechnology company acquired by Sanofi S.A. in 2021. From January 2014 to April 2018, Mr. Schroer served as a director and sector head—healthcare at Allianz Global Investors, a global asset management company. From 2009 to December 2013, Mr. Schroer served as President and Chief Investment Officer at Schroer Capital, LP, a financial services company that he founded. Mr. Schroer received a B.S. in History and International Relations and an M.B.A. from the University of Wisconsin-Madison.

Sara Klein has served as our General Counsel and Corporate Secretary since January 2022. Prior to joining us, Ms. Klein served in various roles at Principia Biopharma Inc., a biotechnology company acquired by Sanofi S.A. in September 2020, including Head of Legal from January 2021 to July 2021, Senior Vice President, Legal from December 2019 to January 2021, and Vice President, Legal from May 2018 to December 2019. From November 2001 to May 2018, Ms. Klein was in the private practice of law representing life science and technology companies. From 1993 to 1998, Ms. Klein served as corporate counsel and senior corporate counsel at Genentech, Inc., a biopharmaceutical company. From 1990 to 1993, Ms. Klein was an attorney at the law firm of Baker & McKenzie LLP. Ms. Klein holds a J.D. from U.C. Hastings College of the Law and a B.A in political science and French from Middlebury College.

Derrick Richardson has served as our Senior Vice President of People and Culture since June 2023. From April 2023 to June 2023, Mr. Richardson served as our Vice President of People and Culture. From January 2022 to April 2023, Mr. Richardson served as our Vice President and Head of Program and Portfolio Management. From November 2020 to December 2021, Mr. Richardson served as the Head of Cardiovascular Late-Stage Project Management at The Bristol-Myers Squibb Company, a biopharmaceutical company, after its acquisition of MyoKardia, Inc., a precision medicine company focused on treating cardiovascular diseases, in November 2020. From April 2020 to November 2020, Mr. Richardson served as Executive Director and Head of Project Management at MyoKardia, and consulted for MyoKardia from October 2018 to April 2020. From February 2016 to October 2018, Mr. Richardson served as a Consulting Project Manager at Genentech, Inc. Mr. Richardson received an M.S. in Mechanical Engineering from Cornell University and a B.S. in Product Design Engineering from Stanford University.

Non-Employee Directors

Srinivas Akkaraju, M.D., Ph.D. has served as a member of our board of directors since March 2024. Dr. Akkaraju is a founder and managing member of Samsara BioCapital, a venture capital firm, a position he has held since March 2017. From April 2013 to February 2016, Dr. Akkaraju served as a general partner of Sofinnova Ventures, a venture capital firm. From January 2009 to April 2013, Dr. Akkaraju served as managing director of New Leaf Venture Partners, a venture capital firm. Dr. Akkaraju presently serves on the board of directors of vTv Therapeutics Inc., Scholar Rock Holding Corporation, Mineralys Therapeutics, Inc., and Syros Pharmaceuticals, Inc., and numerous private biopharmaceutical companies. During the past five years, he served as a director of Chinook Therapeutics, Inc., Jiya Acquisition Corp., Aravive, Inc. (formerly Versartis, Inc.), Intercept Pharmaceuticals, Inc., Principia Biopharma Inc., and Seattle Genetics, Inc. Dr. Akkaraju received an M.D. and a Ph.D. in Immunology from Stanford University and undergraduate degrees in Biochemistry and Computer Science from Rice University. We believe that Dr. Akkaraju's extensive investment experience in the biopharmaceutical industry, as well as his scientific background and experience on numerous public and private company boards of directors make him well qualified to serve as a member of our board of directors.

Alan B. Colowick, M.D., M.P.H. has served as a member of our board of directors since January 2022. Since April 2021, Dr. Colowick has served as the Senior Managing Director of Matrix Capital Management Company. From May 2017 to January 2021, Dr. Colowick served as a private equity partner at Sofinnova Ventures. From 2010 to 2017, Dr. Colowick held various positions at Celgene Corporation, a pharmaceutical company, including Executive Vice President. From 2008 to 2010, Dr. Colowick was the Chief Executive Officer at Gloucester Pharmaceuticals, Inc., a pharmaceutical company, until its acquisition by Celgene in 2010. From 2006 to 2008, Dr. Colowick was President of Oncology for Geron Corporation, a biotechnology company, and from 2005 to 2006 was Chief Medical Officer of Threshold Pharmaceuticals, a pharmaceutical company. From 1999 to 2005, Dr. Colowick held various positions at Amgen Inc., a biopharmaceutical company. Dr. Colowick also serves as a member on the board of directors of ACELYRIN, INC. since November 2021 and mulitple private companies. Dr. Colowick completed specialty training in Hematology-Oncology at the Dana Farber Cancer Institute/Brigham and Women's Hospital. Dr. Colowick received a M.D. from Stanford University, a M.P.H from Harvard University, and a B.S. in Molecular Biology from the University of Colorado. We believe that Dr. Colowick's extensive professional experience, as well as financial understanding of the biotechnology industry, provide him with the qualifications and skills to serve as a member of our board of directors.

Sapna Srivastava, Ph.D. has served as a member of our board of directors since August 2022. From March 2021 to October 2021, Dr. Srivastava served as the interim Chief Financial Officer at eGenesis, Inc., a biopharmaceutical company. From September 2017 to January 2019, Dr. Srivastava served as the Chief Financial and Strategy Officer at Abide Therapeutics, Inc., a biopharmaceutical company acquired by H. Lundbeck A/S in 2019. From April 2015 to December 2016, Dr. Srivastava served as the Chief Financial and Strategy Officer at Intellia Therapeutics, Inc., a gene editing company. Previously, for nearly 15 years, Dr. Srivastava was a senior biotechnology analyst at Goldman Sachs, Morgan Stanley, and ThinkEquity Partners, LLC. Dr. Srivastava began her career as a research associate at JP Morgan. Dr. Srivastava currently serves on the board of directors of Tourmaline Bio, Inc., Aura Biosciences, Inc., a public biotechnology company, Innoviva, Inc. and Nuvalent, Inc., a public biopharmaceutical company. Dr. Srivastava holds a Ph.D. from New York University School of Medicine and a B.Sc. from St. Xavier's College, University of Bombay. We believe that Dr. Srivastava's experience in the pharmaceutical industry makes her well qualified to serve as a member of our board of directors.

James B. Tananbaum, M.D. has served as a member of our board of directors since May 2021. Dr. Tananbaum is currently the President, Chief Executive Officer and a director of Foresite Capital Management, a U.S.-focused healthcare investment firm, which he founded in 2010. From 2000 to 2010, Dr. Tananbaum served as Co-Founder and Managing Director of Prospect Venture Partners L.P. II and III, healthcare venture partnerships. Dr. Tananbaum was also the Founder of GelTex, Inc. in 1991, an intestinal medicine pharmaceutical company acquired by Sanofi-Genzyme, and Theravance, Inc. in 1997 (now Theravance Biopharma, Inc., a diversified biopharmaceutical company focused on organ-selective medicines, and Innoviva, Inc., a respiratory-focused healthcare asset management company partnered with Glaxo Group Limited). Dr. Tananbaum presently serves on the board of directors of Kinnate Biopharma Inc., Pardes

Biosciences, Inc. and Fabric Genomics, Inc., among other companies. During the past five years, Dr. Tananbaum served on the boards of directors of Quantum-SI Incorporate, Gemini Therapeutics, Inc., 10X Genomics, Inc., among other companies. Dr. Tananbaum received an M.D. and an M.B.A. from Harvard University, and a B.S. and a B.S.E.E. from Yale University in Applied Math and Computer Science. We believe Dr. Tananbaum's significant executive leadership experience and experience in the healthcare industry make him well qualified to serve as a member of our board of directors.

Zhengbin (Bing) Yao, Ph.D. has served as a member of our board of directors since June 2021. From May 2021 to the present, Dr. Yao served as the Chief Executive Officer and chairman of the board of directors of ArriVent Biopharma, a biotechnology company. From March 2018 to March 2021, Dr. Yao served as the Chief Executive Officer, President, and from January 2019 to March 2021 also as chairman of the board of directors of Viela Bio, Inc., a biotechnology company, until it was acquired by Horizon Therapeutics in March 2021. From October 2010 to February 2018, Dr. Yao served as Senior Vice President, Head of Respiratory, Inflammation, Autoimmune iMED at MedImmune, the biologics division of AstraZeneca plc and from October 2015 to February 2018 also as Senior Vice President, Head of Immuno-Oncology Franchise. From March 2008 to September 2010, Dr. Yao served as Head of PTL for Immunology, Infectious Diseases, Neuroscience, and Metabolic Disease at Genentech, Inc., a biopharmaceutical company. From October 2000 to September 2007, Dr. Yao held various leadership roles at Tanox Inc., a biopharmaceutical company, and was Vice President and Head of Research before it was acquired by Genentech, Inc. in 2007. Dr. Yao currently serves on the board of directors of NexImmune, Inc., a biopharmaceutical company. Dr. Yao received his Ph.D. in Microbiology and Immunology from the University of Iowa and M.S. in Immunology from Anhui Medical University in Anhui, China. We believe Dr. Yao's significant experience in the biopharmaceutical industry, particularly in autoimmune disease, and his experience serving as a chief executive officer of a publicly traded biotechnology company make him well qualified to serve as a member of our board of directors.

Composition of Our Board of Directors

Our business and affairs are organized under the direction of our board of directors, which currently consists of six members, including three vacancies. We expect to fill one vacancy prior to the closing of the offering, with such individual to be designated by mutual agreement of our board of directors pursuant to the terms of our Amended and Restated Voting Agreement entered into in March 2024 (the Voting Agreement). We expect to set the number of authorized directors to match the number of directors sitting on our board of directors at the closing of this offering. The primary responsibilities of our board of directors are to provide oversight, strategic guidance, counseling and direction to our management. Our board of directors meets on a regular basis and additionally as required.

Certain members of our board of directors were elected under the provisions of our Voting Agreement, which will terminate upon the closing of this offering. Under the terms of our Voting Agreement, the stockholders who are party to the Voting Agreement have agreed to vote their respective shares to elect: (i) one director designated by Matrix Capital Management Master Fund, LP and its affiliates, currently Alan Colowick, M.D., M.P.H.; (ii) one director designated by BBA and its affiliates; (iii) one director designated by Foresite Capital Fund V, L.P. and its affiliates (collectively Foresite Capital Management), currently James B. Tananbaum, M.D.; (iv) one director designated by venBio Global Strategic Fund Four, L.P. and its affiliates; (v) one director designated by Samsara BioCapital, LP, currently Srinivas Akkaraju M.D., Ph.D.; (vi) one director who shall be our then-current Chief Executive Officer, currently Martin Babler; and (vii) three directors who are not our employees or affiliates, with such individuals to be designated by mutual agreement of our board of directors, currently persons who are not otherwise our affiliates or of any investor who are mutually acceptable to a majority of the directors then-serving as members of our board of directors; which individuals currently are Zhengbin (Bing) Yao, Ph.D, Sapna Srivasta, Ph.D and one vacancy. The Voting Agreement will terminate upon the closing of this offering, and upon the closing of the offering no stockholder will have any special rights regarding the election or designation of the members of our board of directors. Our current directors elected pursuant to the Voting Agreement will continue to serve as directors until their successors are duly elected and qualified by holders of our common stock. Our board of directors may establish the authorized number of directors from time to time by resolution. In accordance with our amended and restated certificate of incorporation to be filed in connection with this offering, immediately after this offering, our board of directors will be divided into three classes with staggered three-year terms. At each

annual meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Our directors will be divided among the three classes as follows:

- the Class I directors will be and , and their terms will expire at the annual meeting of stockholders to be held in 2024;
- the Class II directors will be and , and their terms will expire at the annual meeting of stockholders to be held in 2025; and
- the Class III directors will be , and , and their terms will expire at the annual meeting of stockholders to be held in 2026.

We expect that any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

Director Independence

Under the listing requirements and rules of The Nasdaq Stock Market LLC (Nasdaq Listing Rules) independent directors must comprise a majority of our board of directors as a listed company within one year of the listing date.

Our board of directors has undertaken a review of the independence of each director. Based on information provided by each director concerning her or his background, employment and affiliations, including family relationships, our board of directors has determined that none of our directors, other than , has any relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the Nasdaq Listing Rules. Our board of directors has determined that Martin Babler, by virtue of his position as our Chairman and Chief Executive Officer, is not independent under applicable rules and regulations of the U.S. Securities and Exchange Commission (the SEC) and the Nasdaq Listing Rules. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our shares by each non-employee director and the transactions described in the section titled "Certain Relationships and Related Person Transactions."

Committees of Our Board of Directors

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee. The composition and responsibilities of each of the committees of our board of directors are described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors. Each committee intends to adopt a written charter that satisfies the application rules and regulation of the SEC and the Nasdaq Listing Rules, which we will post to our website at www.alumis.com upon the closing of this offering. Our board of directors may establish other committees as it deems necessary or appropriate from time to time.

Audit Committee

Our audit committee currently consists of , , and , each of whom our board of directors has determined satisfies the independence requirements under the Nasdaq Listing Rules and Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, as amended (Exchange Act). The chair of our audit committee is , who our board of directors has determined is an "audit committee financial expert" within the meaning of SEC regulations. Each member of our audit committee can read and understand fundamental financial statements in accordance with applicable requirements. In arriving at these determinations, the board of directors has examined each audit committee member's scope of experience and the nature of their employment in the corporate finance sector.

The primary purpose of the audit committee is to discharge the responsibilities of our board of directors with respect to our corporate accounting and financial reporting processes, systems of internal control and financial-statement audits, and to oversee our independent registered accounting firm. Specific responsibilities of our audit committee include:

- helping our board of directors oversee our corporate accounting and financial reporting processes;
- managing the selection, engagement, qualifications, independence and performance of a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and the independent accountants, our interim and year-end operating results;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing related person transactions;
- obtaining and reviewing a report by the independent registered public accounting firm at least annually, that describes our internal quality control procedures, any material issues with such procedures, and any steps taken to deal with such issues when required by applicable law; and
- approving, or, as permitted, pre-approving, audit and permissible non-audit services to be performed by the independent registered public accounting firm.

Compensation Committee

Our compensation committee currently consists of and . The chair of our compensation committee is . Our board of directors has determined that each member of our compensation committee is independent under the Nasdaq Listing Rules.

The primary purpose of our compensation committee is to discharge the responsibilities of our board of directors in overseeing our compensation policies, plans and programs and to review and determine the compensation to be paid to our executive officers and directors. Specific responsibilities of our compensation committee include:

- reviewing and approving the compensation of our chief executive officer, other executive officers and senior management;
- reviewing and recommending to our board of directors the compensation paid to our directors;
- reviewing and approving the compensation arrangements with our executive officers and other senior management;
- administering our equity incentive plans and other benefit programs;
- reviewing, adopting, amending and terminating, incentive compensation and equity plans, severance agreements, profit sharing plans, bonus plans, change-of-control protections and any other compensatory arrangements for our executive officers and other senior management;
- reviewing, evaluating and recommending to our board of directors succession plans for our executive officers; and
- reviewing and establishing general policies relating to compensation and benefits of our employees, including our overall compensation strategy, including base salary, incentive compensation and equity based grants, to assure that it promotes stockholder interests and supports our strategic and tactical objectives, and that it provides for appropriate rewards and incentives for our management and employees.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of and . The chair of our nominating and corporate governance committee is . Our board of directors has determined that each member of the nominating and corporate governance committee is independent under the Nasdaq Listing Rules.

Specific responsibilities of our nominating and corporate governance committee include:

- identifying and evaluating candidates, including the nomination of incumbent directors for reelection and nominees recommended by stockholders, to serve on our board of directors;
- considering and making recommendations to our board of directors regarding the composition and chairmanship of the committees of our board of directors;
- instituting plans or programs for the continuing education of our board of directors and orientation of new directors;
- developing and making recommendations to our board of directors regarding corporate governance guidelines and matters; and
- overseeing periodic evaluations of the board of directors' performance, including committees of the board of directors and management.

Code of Business Conduct and Ethics

In connection with this offering, we intend to adopt a written Code of Business Conduct and Ethics that applies to all our employees, officers and directors. This includes our principal executive officer, principal financial officer and principal accounting officer or controller, or persons performing similar functions. The full text of our Code of Business Conduct and Ethics will be posted on our website at www.alumis.com upon the closing of this offering. We intend to disclose on our website any future amendments of our Code of Business Conduct and Ethics or waivers that exempt any principal executive officer, principal financial officer, principal accounting officer or controller, persons performing similar functions or our directors from provisions in the Code of Business Conduct and Ethics. Information contained on, or accessible through, our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is only an inactive textual reference.

Compensation Committee Interlocks and Insider Participation

None of the members of the compensation committee is currently, or has been at any time, one of our executive officers or employees. None of our executive officers currently serves, or has served during the last calendar year, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee.

Non-Employee Director Compensation

The following table presents the compensation awarded to or earned by or paid to all individuals who served as non-employee directors during the year ended December 31, 2023.

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)[1]	Total ($)
Julian C. Baker[2]	—	—	—
Alan Colowick, M.D., M.P.H.	—	—	—
Sapna Srivastava, Ph.D	—	—	—
James B. Tananbaum, M.D.	—	—	—
Zhengbin Yao, Ph.D.	—	—	—

(1) As of December 31, 2023, the aggregate number of shares underlying outstanding options to purchase shares of our Class A common stock held by our non-employee directors were: Dr. Srivastava, 140,000, and Dr. Yao, 20,000. None of our other non-employee directors held options to purchase shares of our Class A common stock as of December 31, 2023. With the exception of Dr. Yao, who held 18,334 shares of our Class A common stock subject to repurchase, none of our other non-employee directors held unvested stock awards as of December 31, 2023.

(2) Mr. Baker resigned from our board of directors effective June 7, 2024.

Mr. Babler also served on our board of directors during the year ended December 31, 2023, but did not receive any additional compensation for his service as a director. See the section titled "Executive Compensation" for more information regarding the compensation earned by Mr. Babler.

We have reimbursed and will continue to reimburse all of our non-employee directors for their reasonable out-of-pocket expenses incurred in attending board of directors and committee meetings.

We intend to adopt a non-employee director compensation policy, pursuant to which our non-employee directors will be eligible to receive compensation for service on our board of directors and committees of our board of directors, to be effective following the completion of this offering.

EXECUTIVE COMPENSATION

Our named executive officers for the year ended December 31, 2023 were:

- Martin Babler, our President, Chief Executive Officer and Chairman of the Board;
- David Goldstein, Ph.D., our Chief Scientific Officer; and
- Roy Hardiman, our Chief Business and Legal Officer.

This discussion may contain forward-looking statements that are based on our current plans, considerations, expectations, and determinations regarding future compensation programs. Actual compensation programs that we adopt following the closing of this offering may differ materially from the currently planned programs summarized in this discussion.

Emerging Growth Company Status

We are an "emerging growth company," as defined in the JOBS Act. As an emerging growth company we will be exempt from certain requirements related to executive compensation, including the requirements to hold a nonbinding advisory vote on executive compensation and to provide information relating to the ratio of total compensation of our chief executive officer to the median of the annual total compensation of all of our employees, each as required by the Investor Protection and Securities Reform Act of 2010, which is part of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act").

Summary Compensation Table

The following table presents the compensation awarded to or earned by our named executive officers during the year ended December 31, 2023.

Name and Principal Position	Year	Salary ($)	Option Awards ($)[1]	Non-Equity Incentive Plan Compensation ($)[2]	Total ($)
Martin Babler *President, Chief Executive Officer and Director*	2023	516,000	3,889,989	185,760	4,591,749
David Goldstein, Ph.D. *Chief Scientific Officer*	2023	380,000	543,359	119,700	1,043,059
Roy Hardiman *Chief Business and Legal Officer*	2023	380,000	543,359	119,700	1,043,059

(1) Amounts reflect the aggregate grant-date fair value of option awards granted during 2023 computed in accordance with FASB ASC Topic 718, rather than the actual economic value that may be realized by the named executive officer. See Note 11 to our consolidated financial statements included elsewhere in this prospectus for a discussion of the assumptions used in the calculation. All of the option awards were granted under the 2021 Plan, the terms of which plan are described in the subsection titled "—Equity Benefit Plans—2021 Stock Plan" below.

(2) The amounts disclosed represent performance bonuses earned in 2023 and paid in 2024. For more information, see the description of the annual performance bonuses in the subsection titled "—Narrative to the Summary Compensation Table—Annual Performance Bonus Opportunity" below.

Narrative to the Summary Compensation Table

Historically, our board of directors has been responsible for overseeing all aspects of our executive compensation programs. In making compensation determinations, we consider compensation for comparable positions in the market, the historical compensation levels of our executives, individual performance as compared to our expectations and objectives, our desire to motivate our employees to achieve short- and long-term results that are in the best interests of our stockholders and a long-term commitment to our company.

Our board of directors has historically determined our executive officers' compensation and has typically reviewed and discussed management's proposed compensation with our chief executive officer for all

executives other than our chief executive officer. Based on those discussions and its discretion, our board of directors has then approved the compensation of each executive officer.

Annual Base Salary

Base salaries for our executive officers are initially established through arm's-length negotiations at the time of the executive officer's hiring, taking into account such named executive officer's qualifications, experience, the scope of his or her responsibilities and competitive market compensation paid by other companies for similar positions within the industry and geography. Base salaries are reviewed periodically, and adjusted from time to time to realign salaries with market levels after taking into account individual responsibilities, performance and experience.

The 2023 annual base salaries for our named executive officers are set forth in the table below.

Name	2023 Base Salary ($)
Martin Babler[(1)]	516,000
David Goldstein, Ph.D.[(2)]	380,000
Roy Hardiman[(3)]	380,000

(1) Mr. Babler's base salary increased from $516,000 to $550,800 effective January 2024.

(2) Dr. Goldstein's base salary increased from $380,000 to $424,400 effective January 2024.

(3) Mr. Hardiman's base salary increased from $380,000 to $423,600 effective January 2024.

Annual Performance Bonus Opportunity

Our executive officers are eligible to earn an annual incentive bonus of up to a percentage of such executive officer's annual base salary, based on the achievement of pre-established performance objectives determined by our board of directors.

For 2023, each of Mr. Babler, Dr. Goldstein and Mr. Hardiman was eligible to receive a target bonus equal to 40%, 35%, and 35% of their base salary, respectively, based on the achievement of certain corporate goals and the respective executive officer's contributions toward such goals. In February 2024, our board of directors determined that the 2023 corporate goals were achieved at 90%. As a result, our board of directors approved annual performance bonuses for Mr. Babler, Dr. Goldstein and Mr. Hardiman in the amounts of $185,760, $119,700 and $119,700, respectively, as reported in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table above.

Equity-Based Incentive Awards

Our equity award program is the primary vehicle for offering long-term incentives to our executive officers. We believe that equity awards provide our executives with a strong link to our long-term performance, create an ownership culture and help to align the interests of our executives and our stockholders. To date, we have used stock option grants and restricted stock awards for this purpose because we believe they are an effective means by which to align the long-term interests of our executive officers with those of our stockholders. We believe that our equity awards are an important retention tool for our executive officers, as well as for our other employees. Grants to our executive officers and other employees are made at the discretion of our board of directors and are not made at any specific time period during a year.

In June 2023, we granted each of Mr. Babler, Dr. Goldstein and Mr. Hardiman an option to purchase 1,230,000 shares, 70,000 shares and 70,000 shares, respectively, of our Class A common stock. Each option has an exercise price of $2.27 per share and is subject to a four-year vesting schedule, with 25% of the shares vesting in May 2024 on the first anniversary of the vesting commencement date and the balance vesting monthly over 36 months thereafter, subject to the executive officer's continued service with us. Additionally, in October 2023 we granted each of Mr. Babler, Dr. Goldstein and Mr. Hardiman an option to purchase 500,357 shares, 143,256 shares and 143,256 shares, respectively, of our Class A common stock. Each option has an exercise price of $3.73 per share and is subject to a four-year vesting schedule, with 25% of the shares vesting

in October 2024 on the first anniversary of the vesting commencement date and the balance vesting monthly over 36 months thereafter, subject to the executive officer's continued service with us. The options granted to our named executive officers in 2023 are eligible for accelerated vesting under specified circumstances. Please see the subsection titled "—Potential Payments and Benefits upon Termination or Change in Control" below for a description of such potential acceleration.

March 2024 Option Repricing

On March 29, 2024, our compensation committee approved a stock option repricing (the Option Repricing) in which the exercise price of certain outstanding and unexercised options to purchase shares of our common stock under our 2021 Plan was reduced to $1.89 per share, the fair market value per share of our common stock on the date of the Option Repricing. The Option Repricing included options granted pursuant to the 2021 Plan that were held by, among others, members of our board of directors and the Company's named executive officers. After evaluating several alternatives, our compensation committee determined that the Option Repricing was in the best interests of our company and our stockholders and provided the most effective means of retaining and incentivizing our named executive officers while preserving cash resources and without incurring stock dilution from significant additional equity grants.

Outstanding Equity Awards as of December 31, 2023

The following table presents the outstanding equity awards held by each named executive officer as of December 31, 2023.

	Option Awards[1]				Stock Awards[1]	
Name	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price Per Share ($)[2]	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested ($)[3]
Martin Babler	1,780,487[4]	—	0.82	9/14/2031	—	—
	500,000[5]	—	1.98	1/26/2032	—	—
	2,500,000[6]	—	1.98	1/26/2032	—	—
	1,230,000[7]	—	2.27	6/22/2033	—	—
	500,357[8]	—	3.73	10/8/2033	—	—
David Goldstein, Ph.D.	200,000[9]	—	1.98	1/26/2032	—	—
	800,000[10]	—	1.98	1/26/2032	—	—
	56,000[11]	—	2.27	6/22/2033	—	—
	143,256[12]	—	3.73	10/8/2033	—	—
	—	—	—	—	437,500[13]	1,631,875
Roy Hardiman	200,000[14]	—	1.98	1/26/2032	—	—
	710,000[15]	—	1.98	1/26/2032	—	—
	70,000[16]	—	2.27	6/22/2033	—	—
	143,256[17]	—	3.73	10/8/2033	—	—
	—	—	—	—	437,500[18]	1,631,875

(1) All of the option and stock awards were granted under the 2021 Plan, the terms of which plan are described in the subsection titled "—Equity Benefit Plans—2021 Stock Plan" below. Each award covers shares of our Class A Common Stock. These awards are subject to 50% acceleration upon change in control (as defined below) and 100% acceleration upon a termination within 12 months following a change in control.

(2) Except for Mr. Babler's option award with an expiration date of September 14, 2031, the exercise price of each of these options was repriced to $1.89 per share in March 2024, as described in the subsection titled "—Narrative to the Summary Compensation Table—March 2024 Option Repricing".

(3) Amounts are calculated by multiplying the number of shares shown in the table by $3.73, the fair market value of our Class A Common Stock as of December 31, 2023, as determined by our board of directors.

(4) Stock option award vests over a period of four years with 25% of the shares underlying the option vesting on the one year anniversary of the September 15, 2021 vesting commencement date and 1/48th of the shares underlying the option vesting on a monthly basis thereafter, subject to continued service through each vesting date. The option award includes an early exercise feature.

(5) Stock option award vests over a period of four years with 25% of the shares underlying the option vesting on the one year anniversary of the January 27, 2022 vesting commencement date and 1/48th of the shares underlying the option vesting on a monthly basis thereafter, subject to continued service through each vesting date. The option award includes an early exercise feature.

(6) Stock option award vests over a period of six years with 1/3rd of the shares underlying the option vesting on the two year anniversary of the January 27, 2022 vesting commencement date and 1/48th of the remaining shares underlying the option vesting on a monthly basis thereafter, subject to continued service through each vesting date. The option award includes an early exercise feature.

(7) Stock option award vests over a period of four years with 25% of the shares underlying the option vesting on the one year anniversary of the May 22, 2023 vesting commencement date and 1/48th of the shares underlying the option vesting on a monthly basis thereafter, subject to continued service through each vesting date. The option award includes an early exercise feature.

(8) Stock option award vests over a period of four years with 25% of the shares underlying the option vesting on the one year anniversary of the October 9, 2023 vesting commencement date and 1/48th of the shares underlying the option vesting on a monthly basis thereafter, subject to continued service through each vesting date. The option award includes an early exercise feature.

(9) Stock option award vests over a period of four years with 25% of the shares underlying the option vesting on the one year anniversary of the January 27, 2022 vesting commencement date and 1/48th of the shares underlying the option vesting on a monthly basis thereafter, subject to continued service through each vesting date. The option award includes an early exercise feature.

(10) Stock option award vests over a period of six years with 1/3rd of the shares underlying the option vesting on the two year anniversary of the January 27, 2022 vesting commencement date and 1/48th of the remaining shares underlying the option vesting on a monthly basis thereafter, subject to continued service through each vesting date. The option award includes an early exercise feature.

(11) Stock option award vests over a period of four years with 25% of the shares underlying the option vesting on the one year anniversary of the May 22, 2023 vesting commencement date and 1/48th of the shares underlying the option vesting on a monthly basis thereafter, subject to continued service through each vesting date. The option award includes an early exercise feature.

(12) Stock option award vests over a period of four years with 25% of the shares underlying the option vesting on the one year anniversary of the October 9, 2023 vesting commencement date and 1/48th of the shares underlying the option vesting on a monthly basis thereafter, subject to continued service through each vesting date. The option award includes an early exercise feature.

(13) Represents restricted stock obtained on October 22, 2021 upon exercise of an early exercise option. Twenty-five percent of the shares subject to the option vested on September 15, 2022, and 1/36th of the remaining shares subject to the award shall vest monthly in equal installments on the 15th of each month, through September 15, 2025, subject to continued service through each vesting date.

(14) Stock option award vests over a period of four years with 25% of the shares underlying the option vesting on the one year anniversary of the January 27, 2022 vesting commencement date and 1/48th of the shares underlying the option vesting on a monthly basis thereafter, subject to continued service through each vesting date. The option award includes an early exercise feature.

(15) Stock option award vests over a period of six years with 1/3rd of the shares underlying the option vesting on the two year anniversary of the January 27, 2022 vesting commencement date and 1/48th of the remaining shares underlying the option vesting on a monthly basis thereafter, subject to continued service through each vesting date. The option award includes an early exercise feature.

(16) Stock option award vests over a period of four years with 25% of the shares underlying the option vesting on the one year anniversary of the May 22, 2023 vesting commencement date and 1/48th of the shares underlying the option vesting on a monthly basis thereafter, subject to continued service through each vesting date. The option award includes an early exercise feature.

(17) Stock option award vests over a period of four years with 25% of the shares underlying the option vesting on the one year anniversary of the October 9, 2023 vesting commencement date and 1/48th of the shares underlying the option vesting on a monthly basis thereafter, subject to continued service through each vesting date. The option award includes an early exercise feature.

(18) Represents restricted stock obtained on October 20, 2021 upon exercise of an early exercise option. Twenty-five percent of the shares subject to the option vested on September 15, 2022, and 1/36th of the remaining shares subject to the award shall vest monthly in equal installments on the 15th of each month, through September 15, 2025, subject to continued service through each vesting date.

We did not modify any outstanding equity awards held by our named executive officers in 2023.

Awards held by our named executive officers may be eligible for accelerated vesting under specified circumstances, as described in more detail below under the subsection titled "—Potential Payments and Benefits upon Termination or Change in Control."

We may in the future, on an annual basis or otherwise, grant additional equity awards to our executive officers pursuant to our 2024 Plan, the terms of which are described below under the subsection titled "—Equity Benefit Plans—2024 Equity Incentive Plan."

Pension Benefits

Our named executive officers did not participate in, or otherwise receive any benefits under, any pension or retirement plan sponsored by us during the year ended December 31, 2023.

Nonqualified Deferred Compensation

Our named executive officers did not participate in, or earn any benefits under, a non-qualified deferred compensation plan sponsored by us during the year ended December 31, 2023.

Employment Agreements

Offer Letters

Below are descriptions of our offer letters with our named executive officers. For a discussion of the severance pay and other benefits to be provided in connection with a termination of employment and/or a change in control under the arrangements with our named executive officers, please see the subsection titled "—Potential Payments and Benefits upon Termination or Change in Control" below. Each of our named executive officers is employed at-will.

Mr. Babler. In September 2021, we and Mr. Babler entered into an offer letter that governs the terms of Mr. Babler's employment with us. Pursuant to the agreement, Mr. Babler is entitled to an initial annual base salary of $500,000, is eligible to receive an annual performance bonus with a target achievement of 40% of his base salary, as determined by our board of directors, and was granted an option exercisable for 3,000,000 shares of our Class A common stock in September 2021. Mr. Babler's employment is at-will. Mr. Babler is also entitled to certain severance benefits, the terms of which are described below under the subsection titled "—Potential Payments and Benefits upon Termination or Change in Control."

Dr. Goldstein. In September 2021, we and Dr. Goldstein entered into an offer letter that governs the terms of Dr. Goldstein's employment with us. Pursuant to the agreement, Dr. Goldstein is entitled to an initial annual base salary of $360,000, is eligible to receive an annual performance bonus with a target achievement of 35% of his base salary, as determined by our board of directors, and was granted an option exercisable for 1,000,000 shares of our Class A common stock in September 2021. Dr. Goldstein's employment is at-will. Dr. Goldstein is also entitled to certain severance benefits, the terms of which are described below under the subsection titled "—Potential Payments and Benefits upon Termination or Change in Control."

Mr. Hardiman. In September 2021, we and Mr. Hardiman entered into an offer letter that governs the terms of Mr. Hardiman's employment with us. Pursuant to the agreement, Mr. Hardiman is entitled to an initial annual base salary of $360,000, is eligible to receive an annual performance bonus with a target achievement of 35% of his base salary, as determined by our board of directors, and was granted an option exercisable for 1,000,000 shares of our Class A common stock in September 2021. Mr. Hardiman's employment is at-will. Mr. Hardiman is also entitled to certain severance benefits, the terms of which are described below under the subsection titled "—Potential Payments and Benefits upon Termination or Change in Control."

We intend to enter into new executive employment agreements with our named executive officers prior to the completion of this offering, the details of which have not yet been determined.

Potential Payments and Benefits upon Termination or Change in Control

Regardless of the manner in which a named executive officer's service terminates, each named executive officer is entitled to receive unpaid salary earned during his term of service.

Mr. Babler. Pursuant to Mr. Babler's offer letter, if (a) his employment is terminated without cause (as defined below) or (b) in the event of his constructive termination (as defined below), then Mr. Babler will be entitled to receive severance in the form of (i) continued payments of his then base salary for 12 months, subject to applicable taxes and withholding, (ii) reimbursement for expenses in continuing medical insurance benefits (excluding life insurance) for Mr. Babler and his dependents for up to 12 months and (iii) acceleration of his then-unvested equity grants as to the number of shares underlying such grants that would have been vested as of the first anniversary of the date of his termination, with such acceleration to be effective immediately prior to Mr. Babler's termination. These severance benefits are conditioned upon Mr. Babler's delivery of a general release of claims in favor of the company. Further, in the event of a change of control (as defined below), other than an excluded change of control (as defined below), 50% of Mr. Babler's then-unvested option award for 3,000,000 shares of our Class A common stock granted in September 2021 shall accelerate and become vested as of immediately prior to the closing of such change of control, provided he is still providing services

to us at such time. In addition, if, following a change of control, including an excluded change of control, Mr. Babler is subject to a termination without cause or a constructive termination within 12 months following such change of control, then 100% of his then-unvested option award for 3,000,000 shares of our Class A common stock granted in September 2021 shall accelerate and become fully vested as of the termination date, conditioned upon Mr. Babler's delivery of a general release of claims in favor of the company.

Dr. Goldstein. Pursuant to Dr. Goldstein's offer letter, if (a) his employment is terminated involuntarily without cause (as defined below) or (b) in the event of his constructive termination (as defined below), then Dr. Goldstein will be entitled to receive severance in the form of (i) continued payments of his then base salary for 9 months, subject to applicable taxes and withholding, (ii) reimbursement for expenses in continuing medical insurance benefits (excluding life insurance) for Dr. Goldstein and his dependents for up to 9 months and (iii) acceleration of his then-unvested equity grants as to the number of shares underlying such grants that would have been vested as of the first anniversary of the date of his termination, with such acceleration to be effective immediately prior to Dr. Goldstein's termination. These severance benefits are conditioned upon Dr. Goldstein's delivery of a general release of claims in favor of the company. Further, in the event of a change of control (as defined below), other than an excluded change of control (as defined below), 50% of Dr. Goldstein's then-unvested option award for 1,000,000 shares of our Class A common stock granted in September 2021 shall accelerate and become vested as of immediately prior to the closing of such change of control, provided he is still providing services to us at such time. In addition, if, following a change of control, including an excluded change of control, Dr. Goldstein is subject to a termination without cause or a constructive termination within 12 months following such change of control, then 100% of his then-unvested option award for 1,000,000 shares of our Class A common stock granted in September 2021 shall accelerate and become fully vested as of the termination date, conditioned upon Dr. Goldstein's delivery of a general release of claims in favor of the company.

Mr. Hardiman. Pursuant to Mr. Hardiman's offer letter, if (a) his employment is terminated involuntarily without cause (as defined below) or (b) in the event of his constructive termination (as defined below), then Mr. Hardiman will be entitled to receive severance in the form of (i) continued payments of his then base salary for 9 months, subject to applicable taxes and withholding, (ii) reimbursement for expenses in continuing medical insurance benefits (excluding life insurance) for Mr. Hardiman and his dependents for up to 9 months and (iii) acceleration of his then-unvested equity grants as to the number of shares underlying such grants that would have been vested as of the first anniversary of the date of his termination, with such acceleration to be effective immediately prior to Mr. Hardiman's termination. These severance benefits are conditioned upon Mr. Hardiman's delivery of a general release of claims in favor of the company. Further, in the event of a change of control (as defined below), other than an excluded change of control (as defined below), 50% of Mr. Hardiman's then-unvested option award for 1,000,000 shares of our Class A common stock granted in September 2021 shall accelerate and become vested as of immediately prior to the closing of such change of control, provided he is still providing services to us at such time. In addition, if, following a change of control, including an excluded change of control, Mr. Hardiman is subject to a termination without cause or a constructive termination within 12 months following such change of control, then 100% of his then-unvested option award for 1,000,000 shares of our Class A common stock granted in September 2021 shall accelerate and become fully vested as of the termination date, conditioned upon Mr. Hardiman's delivery of a general release of claims in favor of the company.

In addition to the above, upon a change in control (as defined below) 50% of the then-unvested options held by each of Mr. Babler, Dr. Goldstein, and Mr. Hardiman will accelerate, and 100% of the then-unvested and outstanding options will accelerate upon a termination within 12 months following a change in control (see "—Outstanding Equity Awards as of December 31, 2023").

For the purposes of Mr. Babler's, Dr. Goldstein's and Mr. Hardiman's severance benefits, the following definitions apply:

- "cause" means the officer's separation by us for any of the following reasons: (i) the officer's willful or gross neglect and material failure to perform his or her duties and responsibilities to us, including but not limited to a failure to cooperate with us in any investigation or formal proceeding; (ii) the officer's commission of any act of fraud, embezzlement, dishonesty or any other intentional misconduct in connection with the officer's responsibilities as an employee that is materially injurious to us; (iii) the unauthorized use or disclosure by the officer of any of our proprietary information or trade secrets or

any other party to whom the officer owes an obligation of nondisclosure as a result of the officer's relationship with us; (iv) the officer is convicted of, or enters a no contest plea to, a felony; or (v) the officer's breach of any of the officer's material obligations under any policy, written agreement or covenant with us (including the officer's offer letter). A termination of employment under subparts (i), (iii) and (v) shall not be deemed cause unless the officer has first been given specific written notice of subpart and facts relied upon and thirty days to cure. The determination as to whether the officer is being terminated for cause, and whether the officer has cured any such actions or inactions during any thirty day cure period with respect to subparts (i), (iii) and (v) and with respect to subpart (v) whether such breach is capable of being cured, shall be made in good faith by our board of directors.

- "change of control" means (i) the date any non-affiliated "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of our securities representing 50% or more of the total voting power represented by our then outstanding voting securities, other than pursuant to a sale by us of our securities in a transaction or series of related transactions the primary purpose of which is to raise capital for us; (ii) the date of the consummation of our merger or consolidation with any other corporation that has been approved by our stockholders, other than a merger or consolidation which would result in our voting securities outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by our voting securities or such surviving entity outstanding immediately after such merger or consolidation; or (iii) the date of the consummation of our sale or disposition of all or substantially all of our assets.
- "constructive termination" means the officer's separation as the result of resignation for any of the following, except as otherwise agreed in writing by the officer: (i) a material reduction in the officer's job duties, position and responsibilities, taken as a whole, other than in connection with an excluded change of control; (ii) we require the officer to relocate to a facility or location more than 35 miles from the primary location at which the officer was working for us immediately before the required change of location; (iii) any reduction of the officer's base salary in effect immediately prior to such reduction (other than as part of an across-the-board, proportional reduction), or (iv) we materially breach the terms of the officer's offer letter. In the event of the occurrence of a condition listed above, the officer must provide notice to us within 60 days of the occurrence of a condition listed above and allow us 30 days after the officer's delivery of notice to cure such condition. Additionally, in the event we fail to cure the condition within the cure period provided, the officer must terminate employment with us within 10 days of the end of the cure period.
- "excluded change of control" means (i) a change of control involving any transaction with Aclaris Therapeutics Inc. or (ii) a change of control with a special purpose acquisition company formed by, or affiliated with, Foresite Capital Management or its affiliated funds within 12 months of the officer's start date.

Our named executive officers' option awards granted prior to the execution of the underwriting agreement for this offering are subject to the terms of the 2021 Plan or our 2024 Performance Option Plan (2024 POP), as applicable; a description of each of the 2021 Plan and 2024 POP and options granted thereunder is provided in the subsection titled "—Equity Benefit Plans" below.

We intend to adopt a severance program covering our named executive officers in connection with this offering and will provide a description of such program once it is finalized.

Other Compensation and Benefits

All of our current named executive officers are eligible to participate in our employee benefit plans, in each case on the same basis as all of our other employees. These employee benefit plans include medical, dental, vision, disability, employee assistance, life, accidental death and dismemberment insurance plans. We pay the premiums for the medical, dental, vision, life, and accidental death and dismemberment insurance for all of our employees, including our named executive officers. We generally do not provide perquisites or personal benefits to our named executive officers. In addition, we provide the opportunity to participate in a 401(k) plan to our employees, including each of our named executive officers, as discussed in the subsection titled "—401(k) Plan" below.

401(k) Plan

Our named executive officers are eligible to participate in our defined contribution retirement plan that provides eligible employees with an opportunity to save for retirement on a tax advantaged basis. Eligible employees may elect to defer up to 15% of their eligible compensation into the plan on a pretax or after tax basis, up to annual limits prescribed by the Internal Revenue Code of 1986, as amended (the Code).

Clawback Policy

In connection with this offering, we intend to adopt a compensation recovery policy that is compliant with the Nasdaq Listing Rules, as required by the Dodd-Frank Act, to be effective upon the consummation of this offering.

Equity Benefit Plans

We believe that our ability to grant equity-based awards is a valuable and necessary compensation tool that aligns the long-term financial interests of our employees, consultants and directors with the financial interests of our stockholders. In addition, we believe that our ability to grant options and other equity-based awards helps us to attract, retain and motivate employees, consultants and directors, and encourages them to devote their best efforts to our business and financial success. The principal features of our equity incentive plans are summarized below. These summaries are qualified in their entirety by reference to the actual text of the plans, which are filed as exhibits to the registration statement of which this prospectus forms a part.

2024 Equity Incentive Plan

In , 2024, our board of directors adopted, and our stockholders approved, our 2024 Plan. We expect our 2024 Plan will become effective upon the execution of the underwriting agreement for this offering. Our 2024 Plan came into existence upon its adoption by our board of directors, but no grants will be made under our 2024 Plan prior to its effectiveness. Our 2024 Plan is a successor to and continuation of our 2021 Plan (referred to in the 2024 Plan as our Prior Plan). Once our 2024 Plan becomes effective, no further grants will be made under our 2021 Plan.

Types of Awards. Our 2024 Plan provides for the grant of incentive stock options (ISOs) to employees, including employees of any parent or subsidiary, and for the grant of nonstatutory stock options (NSOs), stock appreciation rights, restricted stock awards, restricted stock unit awards, performance awards and other forms of stock awards to employees, directors, and consultants, including employees and consultants of our affiliates.

Authorized Shares. Initially, the maximum number of shares of our common stock that may be issued under our 2024 Plan after it becomes effective will not exceed shares, which is the sum of (i) new shares, plus (ii) an additional number of shares not to exceed , consisting of (a) shares that remain available for the issuance of awards under our 2021 Plan as of immediately prior to the effectiveness of our 2024 Plan and (b) shares of our common stock that are subject to outstanding stock options or other stock awards granted under our 2021 Plan that, on or after the 2024 Plan becomes effective, terminate or expire prior to exercise or settlement; are not issued because the award is settled in cash; are forfeited because of the failure to vest; or are reacquired or withheld (or not issued) to satisfy a tax withholding obligation or the purchase or exercise price, if any, as such shares become available from time to time. In addition, the number of shares of our common stock reserved for issuance under our 2024 Plan will automatically increase on January 1 of each calendar year, starting on January 1, 2025 (assuming the 2024 Plan becomes effective in 2024) through January 1, 2034, in an amount equal to % of the total number of shares of our capital stock outstanding on the last day of the calendar month before the date of each automatic increase, or a lesser number of shares determined by our board of directors. The maximum number of shares of our common stock that may be issued on the exercise of ISOs under our 2024 Plan is .

Shares subject to stock awards granted under our 2024 Plan that expire or terminate without being exercised in full, or that are paid out in cash rather than in shares, do not reduce the number of shares available for issuance under our 2024 Plan. Additionally, shares become available for future grant under our 2024 Plan if

they were issued stock awards under our 2024 Plan and we repurchase them or they are forfeited. This includes shares used to pay the exercise price of a stock award or to satisfy the tax withholding obligations related to a stock award.

Plan Administration. Our board of directors, or a duly authorized committee of our board of directors, will administer our 2024 Plan. Our board of directors may delegate concurrent authority to administer our 2024 Plan to our compensation committee under the terms of our compensation committee's charter. We sometimes refer to our board of directors, or the applicable committee with the power to administer our equity incentive plans, as the administrator. The administrator may also delegate to one or more persons or bodies the authority to (i) designate employees (other than officers) to receive specified awards, and (ii) determine the number of shares subject to such awards. Such persons or bodies may not grant a stock award to themselves and neither our board nor any committee may delegate authority to any person or body (who is not a member of our board or such body that is not comprised solely of members of our board) the authority to determine the fair market value of our common stock for purposes of the 2024 Plan.

The administrator has the authority to determine the terms of awards, including recipients, the exercise, purchase or strike price of awards, if any, the number of shares subject to each award, the fair market value of a share of common stock, the vesting schedule applicable to the awards, together with any vesting acceleration, and the form of consideration, if any, payable upon exercise or settlement of the award and the terms of the award agreements for use under our 2024 Plan.

In addition, subject to the terms of the 2024 Plan, the administrator also has the power to modify outstanding awards under our 2024 Plan, including the authority to reprice any outstanding option or stock appreciation right, cancel and re-grant any outstanding option or stock appreciation right in exchange for new stock awards, cash or other consideration, or take any other action that is treated as a repricing under generally accepted accounting principles, with the consent of any materially adversely affected participant.

Stock Options. ISOs and NSOs are granted under stock option agreements adopted by the administrator. The administrator determines the exercise price for stock options, within the terms and conditions of the 2024 Plan, provided that the exercise price of a stock option generally cannot be less than 100% of the fair market value of our common stock on the date of grant. Options granted under the 2024 Plan vest at the rate specified in the stock option agreement as determined by the administrator.

Tax Limitations on ISOs. The aggregate fair market value, determined at the time of grant, of our common stock with respect to ISOs that are exercisable for the first time by an optionholder during any calendar year under all of our stock plans may not exceed $100,000. Options or portions thereof that exceed such limit will generally be treated as NSOs. No ISO may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10% of our total combined voting power or that of any of our affiliates unless (i) the option exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant; and (ii) the option is not exercisable after the expiration of five years from the date of grant.

Restricted Stock Unit Awards. Restricted stock units are granted under restricted stock unit award agreements adopted by the administrator. Restricted stock units may be granted in consideration for any form of legal consideration that may be acceptable to our board of directors and permissible under applicable law. A restricted stock unit may be settled by cash, delivery of stock, a combination of cash and stock as deemed appropriate by the administrator, or in any other form of consideration set forth in the restricted stock unit agreement. Additionally, dividend equivalents may be credited in respect of shares covered by a restricted stock unit. Except as otherwise provided in the applicable award agreement, restricted stock units that have not vested will be forfeited once the participant's continuous service ends for any reason.

Restricted Stock Awards. Restricted stock awards are granted under restricted stock award agreements adopted by the administrator. A restricted stock award may be awarded in consideration for cash, check, bank draft or money order, past services to us, or any other form of legal consideration that may be acceptable to our board of directors and permissible under applicable law. The administrator determines the terms and conditions of restricted stock awards, including vesting and forfeiture terms. If a participant's service relationship with us ends for any reason, we may receive any or all of the shares of our common stock held by the participant that have not vested as of the date the participant terminates service with us through a forfeiture condition or a repurchase right.

Stock Appreciation Rights. Stock appreciation rights are granted under stock appreciation grant agreements adopted by the administrator. The administrator determines the purchase price or strike price for a stock appreciation right, which generally cannot be less than 100% of the fair market value of our common stock on the date of grant. A stock appreciation right granted under the 2024 Plan vests at the rate specified in the stock appreciation right agreement as determined by the administrator.

Performance Awards. The 2024 Plan permits the grant of performance-based stock and cash awards. The administrator may structure awards so that the shares of our stock, cash, or other property will be issued or paid only following the achievement of certain pre-established performance goals during a designated performance period. The performance criteria that will be used to establish such performance goals may be based on any one of, or combination of, the following as determined by the administrator: earnings (including earnings per share and net earnings); earnings before interest, taxes and depreciation; earnings before interest, taxes, depreciation and amortization; total stockholder return; return on equity or average stockholder's equity; return on assets, investment, or capital employed; share price; margin (including gross margin); income (before or after taxes); operating income; operating income after taxes; pre-tax profit; operating cash flow; sales or revenue targets; increases in revenue or product revenue; expenses and cost reduction goals; improvement in or attainment of working capital levels; economic value added (or an equivalent metric); market share; cash flow; cash flow per share; share price performance; debt reduction; customer satisfaction; stockholder's equity; capital expenditures; debt levels; operating profit or net operating profit; workforce diversity; growth of net income or operating income; billings; financing; regulatory milestones; stockholder liquidity; corporate governance and compliance; intellectual property; personnel matters; progress of internal research; progress of partnered programs; partner satisfaction; budget management; partner or collaborator achievements; internal controls, including those related to the Sarbanes-Oxley Act of 2002; investor relations, analysts and communication; implementation or completion of projects or processes; employee retention; number of users, including unique users; strategic partnerships or transactions (including in-licensing and out-licensing of intellectual property); establishing relationships with respect to the marketing, distribution and sale of the Company's products; supply chain achievements; co-development, co-marketing, profit sharing, joint venture or other similar arrangements; individual performance goals; corporate development and planning goals; and other measures of performance selected by the administrator.

The performance goals may be based on a company-wide basis, with respect to one or more business units, divisions, affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise (i) in the award agreement at the time the award is granted or (ii) in such other document setting forth the performance goals at the time the goals are established, we will appropriately make adjustments in the method of calculating the attainment of performance goals as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of any statutory adjustments to corporate tax rates; (5) to exclude the effects of items that are "unusual" in nature or occur "infrequently" as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any business divested by us achieved performance objectives at targeted levels during the balance of a performance period following such divestiture; (8) to exclude the effect of any change in the outstanding shares of our common stock by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (9) to exclude the effects of stock based compensation and the award of bonuses under our bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; and (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles. In addition, we retain the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of the goals. The performance goals may differ from participant to participant and from award to award.

Other Stock Awards. The administrator may grant other awards based in whole or in part by reference to our common stock. The administrator will set the number of shares under the stock award and all other terms and conditions of such awards.

Non-Employee Director Compensation Limit. The aggregate value of all compensation granted or paid to any non-employee director with respect to any calendar year beginning in , including stock awards granted and cash fees paid by us to such non-employee director, will not exceed $ in total value, or in the event such non-employee director is first appointed or elected to the board during such calendar year, $ in total value (in each case, calculating the value of any such stock awards based on the grant date fair value of such stock awards for financial reporting purposes).

Changes to Capital Structure. In the event there is a specified type of change in our capital structure, such as a stock split, reverse stock split, or recapitalization, appropriate adjustments will be made to (i) the class and maximum number of shares reserved for issuance under the 2024 Plan, (ii) the class and maximum number of shares by which the share reserve may increase automatically each year, (iii) the class and maximum number of shares that may be issued on the exercise of ISOs, and (iv) the class and number of shares and exercise price, strike price, or purchase price, if applicable, of all outstanding stock awards.

Corporate Transactions. The following applies to stock awards under the 2024 Plan in the event of a corporate transaction, unless otherwise provided in a participant's stock award agreement or other written agreement with us or one of our affiliates or unless otherwise expressly provided by the administrator at the time of grant.

In the event of a corporate transaction, any stock awards outstanding under the 2024 Plan may be assumed, continued or substituted for by any surviving or acquiring corporation (or its parent company), and any reacquisition or repurchase rights held by us with respect to the stock award may be assigned to the successor (or its parent company). If the surviving or acquiring corporation (or its parent company) does not assume, continue or substitute for such stock awards, then with respect to any such stock awards that are held by participants whose continuous service has not terminated prior to the effective time of the transaction, or current participants, the vesting (and exercisability, if applicable) of such stock awards will be accelerated in full to a date prior to the effective time of the transaction (contingent upon the effectiveness of the transaction), and such stock awards will terminate if not exercised (if applicable) at or prior to the effective time of the transaction, and any reacquisition or repurchase rights held by us with respect to such stock awards will lapse (contingent upon the effectiveness of the transaction). With respect to performance awards with multiple vesting levels depending on performance level, unless otherwise provided by an award agreement or by the administrator, the award will accelerate at 100% of target. If the surviving or acquiring corporation (or its parent company) does not assume, continue or substitute for such stock awards, then with respect to any such stock awards that are held by persons other than current participants, such awards will terminate if not exercised (if applicable) prior to the effective time of the transaction, except that any reacquisition or repurchase rights held by us with respect to such stock awards will not terminate and may continue to be exercised notwithstanding the transaction. The administrator is not obligated to treat all stock awards or portions of stock awards in the same manner and is not obligated to take the same actions with respect to all participants.

In the event a stock award will terminate if not exercised prior to the effective time of a transaction, the administrator may provide, in its sole discretion, that the holder of such stock award may not exercise such stock award but instead will receive a payment equal in value to the excess (if any) of (i) the value of the property the participant would have received upon the exercise of the stock award over (ii) any exercise price payable by such holder in connection with such exercise.

Under our 2024 Plan, a corporate transaction is defined to include the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events: (i) a sale or disposition of all or substantially all of our assets; (ii) a sale or disposition of more than 50% of our outstanding securities; (iii) a merger, consolidation or similar transaction where we do not survive the transaction; and (iv) a merger or consolidation where we do survive the transaction but the shares of our common stock outstanding before such transaction are converted or exchanged into other property by virtue of the transaction, unless otherwise provided in an award agreement or other written agreement between us and the award holder.

Change in Control. In the event of a change in control, as defined under our 2024 Plan, awards granted under our 2024 Plan will not receive automatic acceleration of vesting and exercisability, although this treatment may be provided for in an award agreement.

Under the 2024 Plan, a change in control is defined to include: (i) the acquisition by any person or company of more than 50% of the combined voting power of our then outstanding stock; (ii) a consummated merger, consolidation or similar transaction in which our stockholders immediately before the transaction do not own, directly or indirectly, more than 50% of the combined voting power of the surviving entity (or the parent of the surviving entity); (iii) a consummated sale, lease, exclusive license or other disposition of all or substantially all of our assets other than to an entity more than 50% of the combined voting power of which is owned by our stockholders; and (iv) an unapproved change in the majority of the board of directors.

Transferability. A participant may not transfer stock awards under our 2024 Plan other than by will, the laws of descent and distribution, or as otherwise provided under our 2024 Plan.

Plan Amendment or Termination. Our board of directors has the authority to amend, suspend, or terminate our 2024 Plan, provided that such action does not materially impair the existing rights of any participant without such participant's written consent. Certain material amendments also require the approval of our stockholders. No ISOs may be granted after the tenth anniversary of the date our board of directors adopted our 2024 Plan. No stock awards may be granted under our 2024 Plan while it is suspended or after it is terminated.

2024 Performance Option Plan

Our board of directors adopted our 2024 POP in May 2024, and our stockholders approved our 2024 POP in May 2024.

Authorized Shares. Subject to certain capitalization adjustments, the aggregate number of shares of our common stock that may be issued pursuant to awards under our 2024 POP is 8,792,390 shares (the "Share Reserve"). As of May 15, 2024, stock options covering 8,792,390 shares of our common stock with a weighted-average exercise price of $2.18 per share were outstanding and no shares of our common stock remained available for the future grant of awards under our 2024 POP. In addition, the aggregate maximum number of shares of our common stock that may be issued pursuant to the exercise of ISOs is equal to the Share Reserve multiplied by three. Unissued shares of our common stock underlying awards that expire or are cancelled or shares otherwise issuable under our 2024 POP that are withheld by us for payment of the purchase price, exercise price or withholding taxes in respect of an award will remain available for issuance under our 2024 POP. Shares issued under our 2024 POP that are forfeited to or repurchased by us due to failure to vest are currently added back to the shares of common stock available for issuance under our 2024 POP. Shares issued under our 2024 POP that are settled in cash rather than in shares will not reduce the number of shares remaining available for issuance under our 2024 POP.

Awards. Our 2024 POP permits the grant of ISOs, NSOs and, restricted stock awards. ISOs may be granted only to our employees and to any of our parent or subsidiary corporations' employees. All other awards may be granted to employees, directors and consultants of ours and to any of our parent or subsidiary corporations' employees or consultants.

Plan Administration. Our board of directors or a committee or an officer delegated by our board of directors administers our 2024 POP. Subject to the terms of our 2024 POP, the administrator has the power to, among other things, select the persons to whom awards may be granted, determine the type of award to be granted to any person, determine the number and type of shares to be covered by each award, establish the terms and conditions of each award agreement, determine whether and under what circumstances an option may be exercised without a payment of cash, and determine whether and to what extent and under what circumstances shares and other amounts payable with respect to an award may be deferred either automatically or at the election of the participant.

Stock Options. Stock option awards are granted pursuant to a stock option agreement adopted by the administrator. The administrator determines the exercise price for a stock option, provided that the exercise price of a stock option generally cannot be less than 100% of the fair market value of our common stock on the date of grant. Options granted under our 2024 POP vest at the rate and upon achievement of certain performance conditions specified by the administrator. The administrator determines the term of stock options granted under our 2024 POP, up to a maximum of 10 years. Unless the terms of a participant's stock option agreement provide otherwise, if a participant's service relationship with us, or any of our affiliates,

ceases for any reason other than disability, death or cause, the participant may generally exercise any vested options for a period of three months following the cessation of service. The option term may be extended in the event that the exercise of the option following such a termination of service is prohibited by applicable securities laws or our insider trading policy. Additionally, unless the terms of a participant's stock option agreement provide otherwise, if a participant's service relationship with us or any of our affiliates ceases due to disability or death, or a participant dies within a certain period following cessation of service, the participant or a beneficiary may generally exercise any vested options for a period of 12 months in the event of disability and 18 months in the event of death. In the event of a termination for cause, options generally terminate immediately upon the termination of the individual for cause. In no event may an option be exercised beyond the expiration of its term. Acceptable consideration for the purchase of our common stock issued upon the exercise of a stock option will be determined by the administrator and may include (1) cash, check, bank draft, electronic funds transfer or money order, (2) a broker-assisted cashless exercise, (3) the tender of shares of our common stock previously owned by the participant, (4) a net exercise of the option if it is an NSO, (5) deferred payment or a similar arrangement with the participant and (6) other legal consideration approved by the administrator.

Tax Limitations on ISOs. The aggregate fair market value, determined at the time of grant, of our common stock with respect to ISOs that are exercisable for the first time by a participant during any calendar year under all of our stock plans may not exceed $100,000. Options or portions thereof that exceed such limit will generally be treated as NSOs. No ISO may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10% of our total combined voting power or that of any of our affiliates unless (1) the option exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant and (2) the term of the ISO does not exceed five years from the date of grant.

Restricted Stock. Restricted stock may be issued pursuant to restricted stock award agreements that the administrator may adopt or upon the early exercise of options by participants. Restricted stock may be granted in consideration for (1) cash, check, bank draft or money order, (2) services rendered to us or our affiliates or (3) any other form of legal consideration approved by the administrator. Common stock acquired under a restricted stock award may, but need not, be subject to a share repurchase option in our favor in accordance with a vesting schedule to be determined by the administrator. A restricted stock award may be transferred only upon such terms and conditions as set by the administrator. Except as otherwise provided in the applicable award agreement, restricted stock awards that have not vested may be forfeited or repurchased by us upon the participant's cessation of continuous service.

Changes to Capital Structure. In the event there is a specified type of change in our capital structure, such as a stock dividend, stock split or reverse stock split, appropriate adjustments will be made to (1) the number of shares available for issuance under our 2024 POP, (2) the number of shares covered by and, as applicable, the exercise price of each outstanding award granted under our 2024 POP and (3) the number of shares that may be issued as ISOs under the 2024 POP.

Corporate Transactions. If we are a party to a merger or consolidation, or in the event of a sale of all or substantially all of our stock or assets, outstanding awards under our 2024 POP will be treated in the manner set forth in the definitive transaction agreement (or, if the transaction does not involve such an agreement, in the manner determined by our board of directors), which agreement or determination need not treat all outstanding awards in an identical manner, and may include one or more of the following treatments with respect to each outstanding award: (i) continuation, assumption or substitution of the award by the surviving corporation (or its parent); (ii) cancellation of the award in exchange for a payment with respect to each share subject to the portion of the award that is vested as of the transaction date equal to the excess of (a) the value of the property (including cash) received by the holder of a share of our common stock as a result of the transaction over (b) the per share exercise price (if any) of the award; (iii) cancellation of the stock option for no consideration; however, the participant will be notified of such treatment and given an opportunity to exercise the option (to the extent it is vested or it becomes vested as of the effective date of the transaction) during a period that will generally be not less than five business days preceding the effective date of the transaction; (iv) suspension of the right to exercise the stock option for a limited period preceding the closing of the transaction if administratively necessary to permit the closing of the transaction; or (v) termination of any right to exercise shares subject to the stock option prior to vesting so that the stock option may only be exercised for vested shares after the closing of the transaction. Our board of directors has discretion to

accelerate, in whole or part, the vesting and exercisability of an award in connection with a corporate transaction described above. Our board of directors need not take the same action or actions with respect to all stock awards or portions thereof or with respect to all participants or with respect to the vested or unvested portion of such stock awards. In addition, a stock award may provide for additional acceleration of vesting and exercisability upon or following a "change in control" (as defined in the 2024 POP) as may be provided in the award agreement evidencing such stock award or in any other written agreement with the holder thereof, but in the absence of such agreement, no such acceleration will occur.

Plan Amendment or Termination. Our board of directors may amend, modify, suspend or terminate our 2024 POP at any time. Unless terminated sooner by our board of directors, our 2024 POP will automatically terminate on the day before the tenth anniversary of the earlier of (1) the date our 2024 POP was approved by our board of directors, or (2) the date our 2024 POP was approved by our stockholders. No awards may be granted under the POP while it is suspended or after it is terminated. We will terminate our 2024 POP prior to the completion of this offering and no new awards will be granted thereunder following such termination.

2021 Stock Plan

Our board of directors adopted, and our stockholders approved, our 2021 Plan on February 2, 2021. Our 2021 Plan was most recently amended by our board of directors and our stockholders on March 1, 2024. No further awards will be granted under our 2021 Plan on or after the effectiveness of our 2024 Plan; however, awards outstanding under our 2021 Plan will continue to be governed by their existing terms.

Awards. Our 2021 Plan provides for the direct award or sale of shares and for the grant of ISOs within the meaning of Section 422 of the Code, NSOs, stock awards and RSU awards. ISOs may only be granted to our employees. All other awards may be granted to our employees, non-employee members of our board of directors and consultants and any of our subsidiary corporations' employees and consultants.

Authorized Shares. As of March 31, 2024, we had reserved 34,229,147 shares of our Class A common stock for issuance under our 2021 Plan, all of which could be issued on the exercise of ISOs. As of March 31, 2024, options to purchase 26,019,851 shares of our common stock were outstanding under our 2021 Plan, and 2,954,063 shares of our common stock remained available for issuance under our 2021 Plan. Unissued shares of our common stock underlying awards that expire or are canceled, or shares otherwise issuable under our 2021 Plan that are withheld by us for payment of the purchase price, exercise price or withholding taxes in respect of an award will remain available for issuance under our 2021 Plan. Shares issued under our 2021 Plan that are forfeited to or repurchased by us due to failure to vest are currently added back to the shares of common stock available for issuance under our 2021 Plan. Shares issued under our 2021 Plan that are settled in cash rather than in shares will not reduce the number of shares remaining available for issuance under our 2021 Plan. Upon the effectiveness of our 2024 Plan, shares available for issuance under our 2021 Plan will be added to the shares available for issuance under our 2024 Plan and no additional awards will be granted under the 2021 Plan. In addition, upon the effectiveness of our 2024 Plan, shares subject to awards granted under the 2021 Plan that expire, lapse or are terminated, exchanged for cash, surrendered, repurchased, or forfeited following the effective date of the 2024 Plan will be available for issuance under the 2024 Plan in accordance with its terms.

Plan Administration. Our board of directors or one or more committees appointed by our board of directors may administer our 2021 Plan. We sometimes refer to our board of directors, or the applicable committee appointed by our board of directors, as the administrator. Subject to the terms of our 2021 Plan, the administrator has full authority and discretion to take any actions it deems necessary or advisable for the plan administration of our 2021 Plan. With respect to the terms and conditions of awards granted to participants outside the United States, our board of directors may vary from the provisions of our 2021 Plan that do not require stockholder approval to the extent it determines it necessary and appropriate to do so.

Within the limitations of our 2021 Plan, the administrator also has the authority to modify, reprice, extend or assume outstanding options and to accept the cancellation of outstanding options (whether granted by us or another issuer) in return for the grant of new options or a different type of award for the same or a different number of shares of our common stock and at the same or a different exercise price. However, no modification of an option may impair the participant's rights or increase the participant's obligations under the option without the consent of the participant (except as otherwise provided in the 2021 Plan).

Stock Options. Stock options have been granted under our 2021 Plan. Subject to the terms and conditions of our 2021 Plan, the administrator determines the terms and conditions of stock options, including, but not limited to, the number of shares subject to the stock option, the exercise price of the stock option, the term of the stock option and the time(s) at which the stock option may become exercisable. The exercise price of stock options granted under our 2021 Plan generally cannot be less than 100% of the fair market value of a share of our common stock on the grant date. The term of a stock option may not exceed ten years from the grant date. With respect to any participant who owns more than 10% of the voting power of all classes of our (or any of our parent's or subsidiary's) outstanding stock, the term of an ISO granted to such participant must not exceed five years from the grant date and the per share exercise price cannot be less than 110% of the fair market value of a share of our common stock on the grant date. The exercise price of a stock option may be paid by cash or cash equivalents, or by one or any combination of other payment methods permitted by the administrator, which may include (without limitation): (i) in consideration of services rendered, (ii) the delivery of a promissory note by the participant, (iii) the tender of shares of our common stock previously owned by the participant, (iv) "same day sale" or "cashless exercise" procedure, (v) "net exercise" or (vi) other legal consideration permitted by applicable law. Unless otherwise provided in a participant's option agreement, if a participant's service terminates, the participant's then-vested stock options granted under our 2021 Plan will remain exercisable following termination for a period of three months if the termination is for any reason other than death or disability (as defined in our 2021 Plan), for a period of six months if the termination is due to disability, for a period of 12 months if the termination is due to death, or such longer or shorter period as the administrator may determine. In no event may a stock option be exercised later than the expiration of its term.

RSU Awards. RSU awards may be granted in consideration for any form of legal consideration that may be acceptable to our board of directors and permissible under applicable law. A RSU award may be settled by cash, delivery of stock, a combination of cash and stock as deemed appropriate by the administrator. Additionally, dividend equivalents may be credited in respect of shares covered by RSU awards.

Stock Awards. Stock awards may be awarded in consideration for cash, check, bank draft or money order, past services to us, or any other form of legal consideration that may be acceptable to our board of directors and permissible under applicable law. The administrator determines the terms and conditions of stock awards, including vesting and forfeiture terms.

Transferability of Awards. Our 2021 Plan generally does not allow for the transfer of awards except by a beneficiary designation, a will or the laws of descent and distribution, and an ISO may be exercised during the lifetime of the participant only by the participant or the participant's guardian or legal representative.

Changes in Capitalization. In the event of a subdivision of our outstanding common stock, a stock dividend, a combination or consolidation of our outstanding common stock into a lesser number of shares, a reclassification or any other increase or decrease in the number of issued shares of our common stock effected without receipt of consideration by us, proportionate adjustments will automatically be made in each of (i) the number and kind of shares available for issuance under our 2021 Plan, (ii) the number and kind of shares covered by each outstanding award and any outstanding and unexercised right to purchase shares that has not yet expired, (iii) the exercise price or purchase price, if any, applicable to each outstanding award, and (iv) any repurchase price applicable to shares granted under our 2021 Plan. In the event of an extraordinary dividend payable in a form other than shares of our common stock in an amount that has a material effect on the fair market value of our common stock, a recapitalization, spin-off, or other similar occurrence, the administrator at its sole discretion may make appropriate adjustments to one or more of the items described above.

Corporate Transactions. If we are a party to a merger or consolidation, or in the event of a sale of all or substantially all of our stock or assets, outstanding awards under our 2021 Plan will be treated in the manner set forth in the definitive transaction agreement (or, if the transaction does not involve such an agreement, in the manner determined by our board of directors), which agreement or determination need not treat all outstanding awards in an identical manner, and may include one or more of the following treatments with respect to each outstanding award: (i) continuation, assumption or substitution of the award by the surviving corporation (or its parent); (ii) cancellation of the award in exchange for a payment with respect to each share subject to the portion of the award that is vested as of the transaction date equal to the excess of (a) the value of the property (including cash) received by the holder of a share of our common stock as a result of the transaction over (b) the per share exercise price (if any) of the award; (iii) cancellation of the stock option for

no consideration; however, the participant will be notified of such treatment and given an opportunity to exercise the option (to the extent it is vested or it becomes vested as of the effective date of the transaction) during a period that will generally be not less than five business days preceding the effective date of the transaction; (iv) suspension of the right to exercise the stock option for a limited period preceding the closing of the transaction if administratively necessary to permit the closing of the transaction; or (v) termination of any right to exercise shares subject to the stock option prior to vesting so that the stock option may only be exercised for vested shares after the closing of the transaction. Our board of directors has discretion to accelerate, in whole or part, the vesting and exercisability of an award in connection with a corporate transaction described above.

Amendment and Termination. Our board of directors may amend, suspend or terminate our 2021 Plan at any time and for any reason, subject to stockholder approval where such approval is required by applicable law. No termination or amendment of our 2021 Plan may adversely affect any then-outstanding award without the consent of the affected participant. As noted above, no further awards will be granted under our 2021 Plan on or after the effectiveness of our 2024 Plan; however, awards outstanding under our 2021 Plan will continue to be governed by their existing terms.

2024 Employee Stock Purchase Plan

Our board of directors adopted, and our stockholders approved, our 2024 Employee Stock Purchase Plan, (ESPP) in 2024. The ESPP will become effective immediately prior to the execution of the underwriting agreement for this offering. The purpose of the ESPP is to secure and retain the services of new employees, to retain the services of existing employees, and to provide incentives for such individuals to exert maximum efforts toward our success and that of our affiliates. Our ESPP will include two components. One component will be designed to allow eligible U.S. employees to purchase our ordinary shares in a manner that may qualify for favorable tax treatment under Section 423 of the Code. The other component will permit the grant of purchase rights that do not qualify for such favorable tax treatment in order to allow deviations necessary to permit participation by eligible employees who are foreign nationals or employed outside of the U.S. while complying with applicable foreign laws.

Share Reserve. Following this offering, the ESPP authorizes the issuance of shares of our common stock under purchase rights granted to our employees or to employees of any of our designated affiliates. The number of shares of our common stock reserved for issuance will automatically increase on January 1 of each calendar year, beginning on January 1, 2025 (assuming the ESPP becomes effective in 2024) through January 1, 2034, by the lesser of (i) % of the total number of shares of our capital stock outstanding on the last day of the calendar month before the date of the automatic increase, and (ii) shares; provided that before the date of any such increase, our board of directors may determine that such increase will be less than the amount set forth in clauses (i) and (ii). As of the date hereof, no shares of our common stock have been purchased under the ESPP.

Administration. Our board of directors, or a duly authorized committee thereof, will administer our ESPP. Our board may delegate concurrent authority to administer the ESPP to our compensation committee under the terms of the compensation committee's charter. The ESPP is implemented through a series of offerings under which eligible employees are granted purchase rights to purchase shares of our common stock on specified dates during such offerings. Under the ESPP, we may specify offerings with durations of not more than 27 months and may specify shorter purchase periods within each offering. Each offering will have one or more purchase dates on which shares of our common stock will be purchased for employees participating in the offering. An offering under the ESPP may be terminated under certain circumstances.

Payroll Deductions. Generally, all regular employees, including executive officers, employed by us or by any of our designated affiliates, may participate in the ESPP and may contribute, normally through payroll deductions, up to % of their earnings (as defined in the ESPP) for the purchase of our common stock under the ESPP. Unless otherwise determined by our board of directors, common stock will be purchased for the accounts of employees participating in the ESPP at a price per share that is at least the lesser of (i) 85% of the fair market value of a share of our common stock on the first date of an offering; or (ii) 85% of the fair market value of a share of our common stock on the date of purchase.

Limitations. Employees may have to satisfy one or more of the following service requirements before participating in the ESPP, as determined by our board of directors, including: (i) customary employment with us or one of our affiliates for more than 20 hours per week and more than five months per calendar year; or (ii) continuous employment with us or one of our affiliates for a minimum period of time (not to exceed two years). No employee may purchase shares under the ESPP at a rate in excess of $25,000 worth of our common stock based on the fair market value per share of our common stock at the beginning of an offering for each year such a purchase right is outstanding. Finally, no employee will be eligible for the grant of any purchase rights under the ESPP if immediately after such rights are granted, such employee has voting power over 5% or more of our outstanding capital stock measured by vote or value under Section 424(d) of the Code.

Changes to Capital Structure. In the event that there occurs a change in our capital structure through such actions as a stock split, merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, liquidating dividend, combination of shares, exchange of shares, change in corporate structure, or similar transaction, the board of directors will make appropriate adjustments to: (i) the number of shares reserved under the ESPP; (ii) the maximum number of shares by which the share reserve may increase automatically each year; (iii) the number of shares and purchase price of all outstanding purchase rights; and (iv) the number of shares that are subject to purchase limits under ongoing offerings.

Corporate Transactions. In the event of certain significant corporate transactions, including the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events: (i) a sale of all or substantially all of our assets; (ii) a sale or disposition of more than 50% of our outstanding securities; (iii) a merger or consolidation where we do not survive the transaction; and (iv) a merger or consolidation where we do survive the transaction but the shares of our common stock outstanding immediately before such transaction are converted or exchanged into other property by virtue of the transaction, any then-outstanding rights to purchase our stock under the ESPP may be assumed, continued or substituted for by any surviving or acquiring entity (or its parent company). If the surviving or acquiring entity (or its parent company) elects not to assume, continue, or substitute for such purchase rights, then the participants' accumulated payroll contributions will be used to purchase shares of our common stock within ten business days before such corporate transaction, and such purchase rights will terminate immediately after such purchase.

ESPP Amendment or Termination. Our board of directors has the authority to amend or terminate our ESPP, provided that except in certain circumstances such amendment or termination may not materially impair any outstanding purchase rights without the holder's consent. We will obtain stockholder approval of any amendment to our ESPP as required by applicable law or listing requirements.

Limitations on Liability and Indemnification

Our amended and restated certificate of incorporation, which will become effective immediately prior to the closing of this offering, will contain provisions that limit the liability of our current and former directors and officers for monetary damages to the fullest extent permitted by Delaware law. Delaware law provides that directors and officers of a corporation will not be personally liable for monetary damages for any breach of fiduciary duties as directors or officers, except liability for:

- any breach of the director's or officer's duty of loyalty to the corporation or its stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- as a director, unlawful payments of dividends or unlawful stock repurchases or redemptions;
- as an officer, derivative claims brought on behalf of the corporation by a stockholder; or
- any transaction from which the director or officer derived an improper personal benefit.

Such limitation of liability does not apply to liabilities arising under federal securities laws and does not affect the availability of equitable remedies such as injunctive relief or rescission.

Our amended and restated certificate of incorporation will authorize us to indemnify our directors, officers, employees and other agents to the fullest extent permitted by Delaware law. Our amended and restated bylaws

will provide that we are required to indemnify our directors and officers to the fullest extent permitted by Delaware law and may indemnify our other employees and agents. Our amended and restated bylaws will also provide that, on satisfaction of certain conditions, we will advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee, or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law. We have entered and expect to continue to enter into agreements to indemnify our directors, executive officers and other employees as determined by the board of directors. With certain exceptions, these agreements provide for indemnification for related expenses including attorneys' fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding.

We believe that these amended and restated certificate of incorporation and amended and restated bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain customary directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted for directors, executive officers, or persons controlling us, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Rule 10b5-1 Plans

Our directors, officers and key employees may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell shares of our common stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades under parameters established by the director or officer when entering into the plan, without further direction from them. The director or officer may amend a Rule 10b5-1 plan in some circumstances and may terminate a plan at any time. Our directors and executive officers may also buy or sell additional shares outside of a Rule 10b5-1 plan when they do not possess of material nonpublic information, subject to compliance with the terms of our insider trading policy. During the first 180 days from this offering, the sale of any shares under such plan would be subject to the lock-up agreement that the director or officer has entered into with the underwriters.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

The following includes a summary of transactions since our inception and any currently proposed transactions to which we have been or are to be a party in which the amount involved exceeded or will exceed the lesser of $120,000 and 1% of our total assets, and in which any of our directors, executive officers or, to our knowledge, beneficial owners of more than 5% of our capital stock or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than equity and other compensation, termination, change in control and other arrangements, which are described under the sections titled "Executive Compensation" and "Management—Non-Employee Director Compensation." We also describe below certain other transactions with our directors, executive officers and stockholders.

Foresite Labs Asset Acquisition

In February 2021, we agreed to assume the simple agreements for future equity (SAFEs) of Foresite Labs, an entity affiliated with Foresite Capital Management, a holder of more than 5% of our outstanding capital stock, in exchange for the intellectual property rights for an analytics platform in development, as well as prepaid assets and cash. The SAFEs immediately converted into 1,880,001 shares of our Series Seed redeemable convertible preferred stock. The transaction was measured based on the $1.9 million fair value of the Series Seed redeemable convertible preferred stock issued.

Foresite Labs Services Agreement

In January 2021, we entered into a services agreement with Foresite Labs, an entity affiliated with Foresite Capital Management, a holder of more than 5% of our outstanding capital stock, which was amended on August 24, 2021 and further amended on December 22, 2023, and expires in December 2026, unless terminated earlier by the parties, pursuant to which Foresite Labs provides us with data and analytics services and other scientific support. Foresite Labs invoices us for the services quarterly in advance based on a mutually-agreed service fee estimate, which is reconciled at the end of each quarter. During the years ended December 31, 2022 and 2023, we recognized $1.6 million and $1.5 million as research and development expenses under the service agreement, respectively. General and administrative expenses under the service agreement were immaterial. Accrued expenses under the service agreement were $0 and less than $0.1 million as of December 31, 2022 and 2023, respectively.

Series Seed Redeemable Convertible Preferred Stock Financing

In February 2021, we issued and sold an aggregate of 10,500,000 shares of our Series Seed Preferred convertible preferred stock, including 1,880,001 shares converted from simple agreements for future equity (SAFEs) of Foresite Labs, an entity affiliated with Foresite Capital Management, a holder of more than 5% of our outstanding capital stock, at a purchase price of $1.00 per share for aggregate proceeds of $10.5 million, resulting in gross proceeds of $8.6 million.

The following table summarizes the Series Seed redeemable convertible preferred stock purchased by holders of more than 5% of our capital stock and entities affiliated with our executive officers and members of our board of directors.

Participants[1]	Shares of Series Seed Redeemable Convertible Preferred Stock Purchased (#)	Aggregate Proceeds ($)
Entities affiliated with Foresite Capital Management[2]	10,000,000	10,000,000.00

(1) Additional details regarding these stockholders and their equity holdings are included in this prospectus under the section titled "Principal Stockholders."

(2) Consists of (i) $7,381,810.80 new cash investment by Foresite Capital Fund V, L.P. and the cancellation of $1,709,089.20 in SAFEs held by Foresite Capital Fund V, L.P. converted in connection with the financing, and (ii) $738,189.20 new cash investment by Labs Co-Invest V, LLC and the cancellation of $170,910.80 in SAFEs held by Labs Co-Invest V, LLC converted in connection with the financing. Entities affiliated with Foresite Capital Management collectively beneficially own more than 5% of our outstanding capital stock. James B. Tananbaum, M.D., a member of our board of directors, is President, Chief Executive Officer and a director of Foresite Capital Management. Immediately prior to the closing of this offering, all shares of our Series Seed redeemable

convertible preferred stock held by entities affiliated with Foresite Capital Management will convert into shares of our common stock and shares of non-voting common stock.

Series A Redeemable Convertible Preferred Stock Financing

In March 2021, we issued and sold an aggregate of 7,500,000 shares of our Series A redeemable convertible preferred stock at a purchase price of $4.00 per share for aggregate proceeds of $30.0 million.

The following table summarizes the Series A redeemable convertible preferred stock purchased by holders of more than 5% of our capital stock and entities affiliated with our executive officers and members of our board of directors.

Participants[1]	Shares of Series A Redeemable Convertible Preferred Stock Purchased (#)	Aggregate Proceeds ($)
Entities affiliated with Foresite Capital Management[2]	7,500,000	30,000,000.00

(1) Additional details regarding these stockholders and their equity holdings are included in this prospectus under the section titled "Principal Stockholders."

(2) Consists of (i) 5,250,000 shares of Series A redeemable convertible preferred stock issued to Foresite Capital Fund V, L.P. and (ii) 2,250,000 shares of Series A redeemable convertible preferred stock issued to Foresite Capital Opportunity Fund V, L.P. Entities affiliated with Foresite Capital Management beneficially own more than 5% of our outstanding capital stock. James B. Tananbaum, M.D., a member of our board of directors, is President, Chief Executive Officer and a director of Foresite Capital Management. Immediately prior to the closing of this offering, all shares of our Series A redeemable convertible preferred stock held by entities affiliated with Foresite Capital Management will convert into shares of our common stock and shares of our non-voting common stock.

Convertible Promissory Notes

In March 2021, we issued convertible promissory notes to entities affiliated with Foresight Capital Management, a holder of more than 5% of our outstanding capital stock,with a total principal amount of $30.0 million in exchange for $30.0 million in cash. In August 2021, we issued additional convertible promissory notes to entities affiliated with Foresight Capital Management with a total principal amount of $1.5 million in exchange for $1.5 million in cash. In September 2021, we amended and restated all outstanding convertible promissory notes and issued an additional convertible promissory note to an entity affiliated with Foresight Capital Management with a total principal amount of $6.0 million in exchange for $6.0 million in cash. Pursuant to the terms of such notes, the outstanding indebtedness was cancelled, and the convertible promissory notes converted into 9,760,088 shares of Series B-1 redeemable convertible preferred stock in connection with the Series B and Series B-1 redeemable convertible preferred stock financing, as described below under the subsection titled "—Series B and Series B-1 Redeemable Convertible Preferred Stock Financing." All of the convertible promissory notes bore interest at a rate of 6% per year, compounded annually and could not be prepaid without written consent from the holders.

Series B and Series B-1 Redeemable Convertible Preferred Stock Financing

In multiple closings between December 2021 and January 2022, we issued and sold an aggregate of 40,200,000 shares of our Series B redeemable convertible preferred stock at a purchase price of $5.00 per share, resulting in aggregate gross proceeds of $201.0 million. In December 2021, upon the occurrence of a qualified financing, the convertible notes automatically converted into 9,760,088 shares of our Series B-1 redeemable convertible preferred stock at a conversion price of $4.00 per share, which was equal to 80% of the cash issuance price of our Series B redeemable convertible preferred stock, resulting in the cancelation of indebtedness of $39.0 million.

The following table summarizes the Series B and Series B-1 redeemable convertible preferred stock purchased by holders of more than 5% of our capital stock and entities affiliated with our executive officers and members of our board of directors.

Participants[1]	Shares of Series B Redeemable Convertible Preferred Stock (#)	Shares of Series B-1 Redeemable Convertible Preferred Stock (#)	Aggregate Proceeds ($)
AyurMaya Capital Management Fund, LP[2]	20,000,000	—	100,000,000.00
Entities affiliated with BBA[3]	20,000,000	—	100,000,000.00
Entities affiliated with Foresite Capital Management[4]	—	9,760,088	39,040,356.18

(1) Additional details regarding these stockholders and their equity holdings are included in this prospectus under the section titled "Principal Stockholders."

(2) Alan Colowick, M.D., M.P.H., a member of our board of directors, is Managing Director of Matrix Capital Management Company, an affiliate of AyurMaya Capital Management Fund LP, a holder of greater than 5% of our capital stock. Immediately prior to the closing of this offering, all shares of our Series B redeemable convertible preferred stock held by AyurMaya Capital Management Fund, LP will convert into shares of our common stock and shares of our non-voting common stock.

(3) Consists of (i) 18,506,264 shares of Series B redeemable convertible preferred stock issued to Baker Brothers Life Sciences, L.P. (BBA) and (ii) 1,493,736 shares of Series B redeemable convertible preferred stock issued to 667, L.P. (together with BBA, the BBA Funds). The BBA Funds beneficially own more than 5% of our outstanding capital stock. Immediately prior to the closing of this offering, all shares of our Series B redeemable convertible preferred stock held by the BBA Funds will convert into shares of our common stock and shares of our non-voting common stock.

(4) Consists of (i) 2,618,356 shares of Series B-1 redeemable convertible preferred stock issued to Foresite Capital Fund V, L.P., (ii) 2,618,356 shares of Series B-1 redeemable convertible preferred stock issued to Foresite Capital Opportunity Fund V, L.P., and (iii) 4,523,376 shares of Series B-1 redeemable convertible preferred stock issued to Foresite Labs Fund I, L.P. Entities affiliated with Foresite Capital Management beneficially own more than 5% of our outstanding capital stock. James B. Tananbaum, M.D., a member of our board of directors, is President, Chief Executive Officer and a director of Foresite Capital Management. Immediately prior to the closing of this offering, all shares of our Series B-1 redeemable convertible preferred stock held by entities affiliated with Foresite Capital Management will convert into shares of our common stock and shares of our non-voting common stock.

Series B-2 and Series B-2A Convertible Preferred Stock Financing

In May 2023 and October 2023, we issued and sold an aggregate of 14,943,510 shares of our Series B-2 redeemable convertible preferred stock at a purchase price of $5.00 per share. We also sold an aggregate of 3,056,490 shares of our Series B-2A redeemable convertible preferred stock at a price of $5.00 per share. The aggregate proceeds for the Series B-2 and Series B-2A redeemable convertible preferred shares were $90,000,000.00.

The following table summarizes the Series B-2 and Series B-2A convertible preferred stock purchased by holders of more than 5% of our capital stock and entities affiliated with our executive officers and members of our board of directors.

Participants[1]	Shares of Series B-2 Redeemable Convertible Preferred Stock (#)	Shares of Series B-2A Redeemable Convertible Preferred Stock (#)	Aggregate Proceeds ($)
AyurMaya Capital Management Fund, LP[2]	4,058,829	1,277,660	26,682,445.00
Entities affiliated with BBA[3]	3,557,659	1,778,830	26,682,445.00
Entities affiliated with Foresite Capital Management[4]	7,273,658	—	36,368,290.00

(1) Additional details regarding these stockholders and their equity holdings are included in this prospectus under the section titled "Principal Stockholders."

(2) Alan Colowick, M.D., M.P.H., a member of our board of directors, is Managing Director of Matrix Capital Management Company, an affiliate of AyurMaya Capital Management Fund LP, a holder of greater than 5% of our capital stock. Note that AyurMaya Capital Management Fund, LP later converted its Series B-2A redeemable convertible preferred stock into Series B-2 redeemable convertible preferred stock in July 2023. Immediately prior to the closing of this offering, all shares of our Series B-2 and Series B-2A redeemable convertible preferred stock held by AyurMaya Capital Management Fund, LP will convert into shares of our common stock and shares of our non-voting common stock.

(3) Consists of (i) 3,263,415 shares of our Series B-2 redeemable convertible preferred stock and 1,631,708 shares of our Series B-2A redeemable convertible preferred stock issued to BBA and (ii) 294,244 shares of our Series B-2 redeemable convertible preferred stock and 147,122 shares of our Series B-2A redeemable convertible preferred stock issued to 667, L.P. The BBA Funds beneficially

own more than 5% of our outstanding capital stock. Immediately prior to the closing of this offering, all shares of our Series B-2 and Series B-2A redeemable convertible preferred stock held by the BBA Funds will convert into shares of our common stock and shares of our non-voting common stock.

(4) Consists of (i) 2,909,464 shares of our Series B-2 redeemable convertible preferred stock issued to Foresite Capital Fund V, L.P., (ii) 1,454,731 shares of our Series B-2 redeemable convertible preferred stock issued to Foresite Capital Opportunity Fund V, L.P., (iii) 1,454,732 shares of our Series B-2 redeemable convertible preferred stock issued to Foresite Labs Fund I, L.P., and (iv) 1,454,731 shares of our Series B-2 redeemable convertible preferred stock issued to Foresite Capital Fund VI, L.P. Entities affiliated with Foresite Capital Management beneficially own more than 5% of our outstanding capital stock. James B. Tananbaum, M.D., a member of our board of directors, is President, Chief Executive Officer and a director of Foresite Capital Management. Immediately prior to the closing of this offering, all shares of our Series B-2 redeemable convertible preferred stock held by entities affiliated with Foresite Capital Management will convert into shares of our common stock and shares of our non-voting common stock.

Series C and Series C-1 Convertible Preferred Stock Financing

In March and May 2024, we issued and sold an aggregate of 82,529,783 shares of our Series C redeemable convertible preferred stock at a purchase price of $3.13826 per share. The aggregate proceeds for the Series C redeemable convertible preferred shares were $258,999,917.04.

The following table summarizes the Series C and Series C-1 convertible preferred stock purchased by holders of more than 5% of our capital stock and entities affiliated with our executive officers and members of our board of directors.

Participants[1]	Shares of Series C Redeemable Convertible Preferred Stock (#)	Shares of Series C-1 Redeemable Convertible Preferred Stock (#)	Aggregate Proceeds ($)
AyurMaya Capital Management Fund, LP[2]	12,745,916	—	39,999,998.36
Entities affiliated with BBA[3]	8,252,980	—	25,899,997.04
Entities affiliated with Foresite Capital Management[4]	19,118,870	—	59,999,985.00
Samsara BioCapital, LP[5]	7,966,196	—	24,999,994.26

(1) Additional details regarding these stockholders and their equity holdings are included in this prospectus under the section titled "Principal Stockholders."

(2) Alan Colowick, M.D., M.P.H., a member of our board of directors, is Managing Director of Matrix Capital Management Company, an affiliate of AyurMaya Capital Management Fund LP, a holder of greater than 5% of our capital stock. Immediately prior to the closing of this offering, all shares of our Series C redeemable convertible preferred stock held by AyurMaya Capital Management Fund, LP will convert into shares of our common stock and shares of our non-voting common stock.

(3) Consists of (i) 7,573,328 shares of our Series C redeemable convertible preferred stock issued to BBA and (ii) 679,652 shares of our Series C redeemable convertible preferred stock issued to 667, L.P. The BBA Funds beneficially own more than 5% of our outstanding capital stock. Immediately prior to the closing of this offering, all shares of our Series C redeemable convertible preferred stock held by entities affiliated with BBA will convert into shares of our common stock and shares of our non-voting common stock.

(4) Consists of (i) 4,779,718 shares of our Series C redeemable convertible preferred stock issued to Foresite Capital Fund V, L.P., (ii) 3,186,478 shares of our Series C redeemable convertible preferred stock issued to Foresite Capital Opportunity Fund V, L.P., (iii) 3,186,478 shares of our Series C redeemable convertible preferred stock issued to Foresite Labs Fund I, L.P., and (iv) 7,966,196 shares of our Series C redeemable convertible preferred stock issued to Foresite Capital Fund VI, L.P. Entities affiliated with Foresite Capital Management beneficially own more than 5% of our outstanding capital stock. James B. Tananbaum, M.D., a member of our board of directors, is President, Chief Executive Officer and a director of Foresite Capital Management. Immediately prior to the closing of this offering, all shares of our Series C redeemable convertible preferred stock held by entities affiliated with Foresite Capital Management will convert into shares of our common stock and shares of our non-voting common stock.

(5) Srinivas Akkaraju, M.D., Ph.D., one of our directors, is the managing member of Samsara BioCapital, LP. Immediately prior to the closing of this offering, all shares of our Series C redeemable convertible preferred stock held by Samsara BioCapital, LP will convert into shares of our common stock and shares of our non-voting common stock.

Employment Agreements and Stock Option Grants to Directors and Executive Officers

We have entered into employment agreements with certain of our named executive officers, and granted stock options to our named executive officers and certain of our directors, as more fully described in the sections titled "Executive Compensation" and "Management—Non-Employee Director Compensation."

Investor Rights, Voting and Right of First Refusal Agreements

In connection with our redeemable convertible preferred stock financings, we entered into investor rights, voting and right of first refusal agreements containing registration rights, information rights, voting rights, board representation rights, indemnification provisions and rights of first refusal, among other things, with certain holders of our redeemable convertible preferred stock and certain holders of our common stock, including AyurMaya Capital Management Fund LP, which is affiliated with our director Alan Colowick, M.D., M.P.H., entities affiliated with Foresite Capital Management, which are affiliated with our director, James B. Tananbaum, M.D., entities affiliated with BBA, Martin Babler, our Chief Executive Officer, each of which hold greater than 5% of our outstanding capital stock, Samsara BioCapital, LP, which is affiliated with our director Srinivas Akkaraju, M.D., Ph.D., and venBio Partners LLC.

The covenants included in these stockholder agreements generally will terminate upon the closing of this offering, except with respect to registration rights, as more fully described in the section titled "Description of Capital Stock—Registration Rights." See also the section titled "Principal Stockholders" for additional information regarding beneficial ownership of our capital stock.

Registration Rights Agreement

In connection with the sale of our Series B redeemable convertible preferred stock, we agreed to offer the BBA Funds, upon their election, the option to enter into a registration rights agreement, pursuant to which, among other things, we would provide the BBA Funds certain "resale" registration rights and related "piggyback" rights. The BBA Funds have not elected to enter into such a registration rights agreement as of the date of this prospectus.

Limitations on Liability and Indemnification Agreements

Our amended and restated certificate of incorporation will contain provisions limiting the liability of directors, and our amended and restated bylaws will provide that we will indemnify each of our directors and officers to the fullest extent permitted under Delaware law. Our amended and restated certificate of incorporation and amended and restated bylaws will also provide our board of directors with discretion to indemnify our employees and other agents when determined appropriate by the board. In addition, we have entered into or intend to enter into an indemnification agreement with each of our directors and executive officers, which will require us to indemnify them. For more information regarding these agreements, see the section titled "Executive Compensation—Limitations on Liability and Indemnification."

Policies and Procedures for Transactions with Related Persons

Prior to closing of this offering, we intend to adopt a written policy that our executive officers, directors, nominees for election as a director, beneficial owners of more than 5% of any class of our common stock and any members of the immediate family of any of the foregoing persons are not permitted to enter into a related person transaction with us without the approval or ratification of our board of directors or our audit committee. Any request for us to enter into a transaction with an executive officer, director, nominee for election as a director, beneficial owner of more than 5% of any class of our common stock, or any member of the immediate family of any of the foregoing persons, in which the amount involved exceeds $120,000 (or, if less, 1% of the average of our total assets in a fiscal year) and such person would have a direct or indirect interest, must be presented to our board of directors or our audit committee for review, consideration and approval. In approving or rejecting any such proposal, our board of directors or our audit committee is to consider the material facts of the transaction, including whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person's interest in the transaction.

PRINCIPAL STOCKHOLDERS

The following table sets forth information regarding beneficial ownership of our capital stock as of March 21, 2024 by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our common stock;
- each of our directors;
- each our of named executive officers; and
- all of our current executive officers and directors as a group.

We have determined beneficial ownership in accordance with the rules and regulations of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as indicated by the footnotes below, we believe, based on information furnished to us, that the persons and entities named in the table below have sole voting and sole investment power with respect to all shares that they beneficially own, subject to applicable community property laws.

Applicable percentage ownership before the offering is based on shares of our common stock and nonvoting common stock (including shares of unvested restricted common stock subject to repurchase as of such date) outstanding as of March 21, 2024, after giving effect to (i) the issuance of shares of Series C redeemable convertible preferred stock in 2024, and (ii) the Preferred Stock Conversion and the Common Stock Reclassification (as if each had occurred as of March 31, 2024).

Applicable percentage ownership after the offering is based on shares of our common stock and nonvoting common stock (including shares of unvested restricted common stock subject to repurchase as of such date) outstanding immediately after the closing of this offering (assuming no exercise of the underwriters' over-allotment option), after giving effect to (i) the issuance of shares of Series C redeemable convertible preferred stock in 2024, and (ii) the Preferred Stock Conversion and the Common Stock Reclassification (as if each had occurred as of March 31, 2024), and includes shares of common stock subject to repurchase. In computing the number of shares beneficially owned by a person and the percentage ownership of such person, we divided the number of shares held by the sum of (1) the number of shares of common stock outstanding as of March 21, 2024 and (2) the number of shares of common stock that a person has the right to acquire within 60 days after the date of this table (which includes the number of shares of non-voting common stock owned by such person to the extent they can be converted to common stock within 60 days after the date of this table).

Unless otherwise indicated, the address for each beneficial owner listed in the table below is c/o Alumis Inc., 280 East Grand Avenue, South San Francisco, CA 94080.

	Prior to Offering			After Offering		
Name of Beneficial Owner	Number of Common Stock Beneficially Owned	Number of Non-Voting Common Stock Beneficially Owned	Percentage of Total Voting Power Before the Offering	Number of Common Stock Beneficially Owned	Number of Non-Voting Common Stock Beneficially Owned	Percentage of Total Voting Power After the Offering
Greater than 5% Holders:						
AyurMaya Capital Management Fund, LP[1]			%			%
Entities affiliated with Baker Brothers Life Sciences, L.P.[2]						
Entities affiliated with Foresite Capital Management[3]						
Directors and Named Executive Officers:						
Martin Babler[4]						

Name of Beneficial Owner	Prior to Offering: Number of Common Stock Beneficially Owned	Prior to Offering: Number of Non-Voting Common Stock Beneficially Owned	Prior to Offering: Percentage of Total Voting Power Before the Offering	After Offering: Number of Common Stock Beneficially Owned	After Offering: Number of Non-Voting Common Stock Beneficially Owned	After Offering: Percentage of Total Voting Power After the Offering
David Goldstein, Ph.D.[5]						
Roy Hardiman[6]						
Alan Colowick, M.D., M.P.H.						
Sapna Srivastava, Ph.D.[7]						
James B. Tananbaum, M.D.[3]						
Zhengbin Yao, Ph.D.[8]						
Srinivas Akkaraju, M.D., Ph.D.[9]						
All directors and executive officers as a group (13 persons)[10]			%			%

* Represents beneficial ownership of less than 1%.

(1) Consists of (i) shares of common stock issuable upon conversion of Series B Preferred Stock, (ii) shares of common stock issuable upon conversion of Series B-2 Preferred Stock and (iii) shares of common stock issuable upon conversion of Series C Preferred Stock, in each case directly held by AyurMaya Capital Management Fund, LP (the AyurMaya Fund). AyurMaya Capital Management Company, LP (the Investment Manager), a Delaware limited partnership, serves as the investment advisor to the AyurMaya Fund with respect to the securities directly held by the AyurMaya Fund. David E. Goel (Mr. Goel) serves as the Managing Member of AyurMaya Capital Management Company GP, LLC, the general partner of the Investment Manager, and may be deemed to hold voting and dispositive power with respect to the securities directly held by the AyurMaya Fund. The business address for each of the AyurMaya Fund, the Investment Manager and Mr. Goel is c/o AyurMaya Capital Managemen LP, Bay Colony Corporate Center, 1000 Winter St., Suite 4500, Waltham, MA 02451.

(2) Immediately prior to the closing of this offering, all shares of our redeemable convertible preferred stock held of record by entities affiliated with Baker Bros. Advisors LP (BBA) will convert into shares of our non-voting common stock. Consists of (i) shares of non-voting common stock issuable upon conversion of our Series B Preferred Stock, shares of non-voting common stock issuable upon conversion of our Series B-2 Preferred Stock, shares of non-voting common stock issuable upon conversion of our Series B-2A Preferred Stock and shares of non-voting common stock issuable upon conversion of our Series C Preferred Stock held by Baker Brothers Life Sciences, L.P.; and (ii) shares of non-voting common stock issuable upon conversion of our Series B Preferred Stock, shares of non-voting common stock issuable upon conversion of our Series B-2 Preferred Stock, shares of non-voting common stock issuable upon conversion of our Series B-2A Preferred Stock and shares of non-voting common stock issuable upon conversion of our Series C Preferred Stock held by 667, L.P. (together with Baker Brothers Life Sciences, L.P., the BBA Funds). BBA is the management company and investment adviser to the BBA Funds and has the sole voting and investment power with respect to the shares held by the BBA Funds. Baker Bros. Advisors (GP) LLC (BBA-GP) is the sole general partner of BBA. The managing members of BBA-GP are Julian C. Baker and Felix J. Baker. Each of BBA-GP, Felix J. Baker and Julian C. Baker, as a managing member of BBA-GP and BBA, may be deemed to be beneficial owners of the shares directly held by the BBA Funds. Each of Julian C. Baker, Felix J. Baker, BBA-GP and BBA disclaim beneficial ownership of these securities, except to the extent of his or its pecuniary interest therein. The business address for the BBA Funds is 860 Washington St. 3rd Fl., New York, NY 10014.

(3) Consists of (i) shares of common stock issuable upon conversion of our Series Seed Preferred Stock, shares of common stock issuable upon conversion of our Series A Preferred Stock, shares of common stock issuable upon conversion of our Series B-1 Preferred Stock, shares of common stock issuable upon conversion of our Series B-2 Preferred Stock, and shares of common stock issuable upon conversion of our Series C Preferred Stock held by Foresite Capital Fund V, L.P. (Fund V); (ii) shares of common stock issuable upon conversion of our Series B-2 Preferred Stock and shares of common stock issuable upon conversion of our Series C Preferred Stock held by Foresite Capital Fund VI, L.P. (Fund VI); (iii) shares of common stock issuable upon conversion of our Series A Preferred Stock, shares of common stock issuable upon conversion of our Series B-1 Preferred Stock, shares of common stock issuable upon conversion of our Series B-2 Preferred Stock and shares of common stock issuable upon conversion of our Series C Preferred Stock held by Foresite Capital Opportunity Fund V, L.P. (Opportunity Fund V); (iv) shares of common stock issuable upon conversion of our Series Seed Preferred Stock held by Labs Co-Invest V, LLC (Labs Co-Invest; (v) shares of common stock held by Foresite Labs Affiliates 2021, LLC (Labs Affiliates); and (vi) shares of common stock issuable upon conversion of our Series B-1 Preferred Stock, shares of common stock issuable upon conversion of our Series B-2 Preferred Stock and shares of common stock issuable upon conversion of our Series C Preferred Stock held by Foresite Labs Fund I, L.P. (Labs Fund). Foresite Capital Management V, LLC (FCM V) is the general partner of Fund V and may be deemed to have sole voting and dispositive power over the shares held by Fund V; Foresite Capital Management VI, LLC (FCM VI) is the general partner of Fund VI and may be deemed to have sole voting and dispositive power over the shares held by Fund VI; Foresite Capital Opportunity Management V, LLC (FCOM V) is the general partner of Opportunity Fund V and may be deemed to have sole voting and dispositive power over the shares held by Opportunity Fund V; Labs Co-Invest may be deemed to have sole and dispositive power over the shares held by Labs Co-Invest; Labs Affiliates may be deemed to have sole and dispositive power over the shares held by Labs Affiliates; and Labs Fund may be deemed to have sole and dispositive power over the shares held by Labs Fund. James B. Tananbaum, M.D. is the sole managing member of FCM V, FCM VI, FCOM V, Labs Co-Invest, Lab Affiliates and Labs Fund and may be deemed to have sole voting and dispositive power over these shares. Each entity and Dr. Tananbaum disclaims beneficial ownership of these shares except to the

extent of their respective pecuniary interests therein. The business address of Dr. Tananbaum and each of the entities listed above is 900 Larkspur Landing Circle, Suite 150, Larkspur, CA 94939.

(4) Consists of (i) shares of common stock held of record by the Martin Babler revocable trust UAD October 25, 2006, for which Martin Babler serves as a trustee and (ii) shares of common stock subject to options that are exercisable with 60 days of March 21, 2024. Mr. Babler holds sole voting and dispositive power with respect to the shares held by the Martin Babler revocable trust UAD October 25, 2006.

(5) Consists of (i) shares of common stock held of record by the Baily Goldstein Living Trust dated March 4, 2014, for which Dr. Goldstein serves as a trustee, (ii) shares of common stock held of record by family members of Dr. Goldstein residing in his primary residence and (iii) shares of common stock subject to options that are exercisable with 60 days of March 21, 2024. Dr. Goldstein holds shared voting and dispositive power with respect to the shares held by the Baily Goldstein Living Trust dated March 4, 2014.

(6) Consists of (i) shares of common stock held of record by Mr. Hardiman, (ii) shares of common stock held of record by family members of Mr. Hardiman residing in his primary residence, and (iii) shares of common stock subject to options that are exercisable within 60 days of March 21, 2024.

(7) Consists of subject to options that are exercisable within 60 days of March 21, 2024.

(8) Consists of (i) shares of common stock held of record by Dr. Yao and (ii) shares of common stock subject to options that are exercisable within 60 days of March 21, 2024.

(9) Consists of shares of common stock issuable upon conversion of our Series C Preferred Stock held of record by Samsara BioCapital, L.P. (Samsara LP). Samsara BioCapital GP, LLC (Samsara GP) is the general partner of Samsara LP. Dr. Srinivas Akkaraju (Akkaraju) as the managing member of Samsara GP, shares voting and investment authority over the shares held by Samsara LP. The business address of Akkaraju and each of the entities listed above is 628 Middlefield Road, Palo Alto, CA 94301. Samsara GP disclaims beneficial ownership in these shares except to the extent of its respective pecuniary interest therein.

(10) Consists of (i) shares of common stock and shares of non-voting common stock beneficially owned by our current executive officers and directors and (ii) shares of common stock subject to options that are exercisable within 60 days of March 21, 2024.

DESCRIPTION OF CAPITAL STOCK

General

The following description of our capital stock and certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws, which will each become effective upon the completion of this offering, our registration rights agreement and relevant provisions of Delaware General Corporation Law (DGCL). The descriptions herein are summaries qualified in their entirety by our amended and restated certificate of incorporation and amended and restated bylaws, copies of which have been filed as exhibits to the registration statement of which this prospectus is a part, as well as the relevant provisions of DGCL. The descriptions of our common stock, non-voting common stock and preferred stock reflect changes to our capital structure that will be in effect on the closing of this offering.

Upon the filing of our amended and restated certificate of incorporation and the closing of this offering, our authorized capital stock will consist of shares of common stock, $0.0001 par value per share, shares of non-voting common stock, $0.00001 par value per share, and shares of preferred stock, $0.0001 par value per share.

As of March 31, 2024, after giving effect to (i) the issuance of shares of Series C redeemable convertible preferred stock in 2024, and (ii) the Preferred Stock Conversion and the Common Stock Reclassification (as if each had occurred as of March 31, 2024), we had shares of common stock and shares of non-voting common stock outstanding.

Common Stock and Non-Voting Common Stock

Voting Rights and Conversion Rights

The holders of our common stock are entitled to one vote per share of common stock on any matter that is submitted to a vote of our stockholders, and holders of our non-voting common stock are not entitled to any votes per share of non-voting common stock, including for the election of directors. Additionally, holders of our common stock have no conversion rights, while holders of our non-voting common stock shall have the right to convert each share of our non-voting common stock into one share of common stock at such holder's election, provided that as a result of such conversion, such holder, together with its affiliates and any members of a Schedule 13(d) group with such holder, would not beneficially own in excess of % of any class of our securities registered under the Exchange Act, unless otherwise as expressly provided for in our amended and restated certificate of incorporation. However, the beneficial ownership limitation may be increased to any other percentage (not to exceed %) designated by such holder of non-voting common stock upon 61 days' notice to us or decreased at any time. Holders of our non-voting common stock are also permitted to make certain transfers of non-voting common stock to non-affiliates upon which, such transferred shares could be immediately converted into shares of our common stock. Shares of our non-voting common stock are not otherwise subject to automatic or mandatory conversion for any reason.

Our amended and restated certificate of incorporation does not provide for cumulative voting for the election of directors for our common stock. Our amended and restated certificate of incorporation establishes a classified board of directors that is divided into three classes with staggered three-year terms. Only the directors in one class will be subject to election by a plurality of the votes cast at each annual meeting of our stockholders holding shares of common stock, with the directors in the other classes continuing for the remainder of their respective three-year terms. The affirmative vote of holders of at least 66 2⁄3% of the voting power of all of the then-outstanding shares of capital stock, voting as a single class, will be required to amend certain provisions of our amended and restated certificate of incorporation, including provisions relating to amending our amended and restated bylaws, the classified structure of our board of directors, the size of our board of directors, removal of directors, director liability, vacancies on our board of directors, special meetings, stockholder notices, actions by written consent and exclusive jurisdiction.

Economic Rights

Except as otherwise expressly provided in our amended and restated certificate of incorporation or required by applicable law, and other than the voting rights and conversion rights stated above, all shares of common

stock and non-voting common stock will have the same rights and privileges and rank equally, share ratably, and be identical in all respects for all matters, including those described below.

Dividends. Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of our common stock and non-voting common stock are entitled to receive dividends out of funds legally available if our board of directors, in its discretion, determines to issue dividends and then only at the times and in the amounts that our board of directors may determine. See the section titled "Dividend Policy" for further information.

Liquidation Rights. On our liquidation, dissolution, or winding-up, the holders of common stock and non-voting common stock will be entitled to share equally, identically, and ratably in all assets remaining after the payment of any liabilities, liquidation preferences and accrued or declared but unpaid dividends, if any, with respect to any outstanding preferred stock, unless a different treatment is approved by the affirmative vote of the holders of a majority of the outstanding shares of such affected class, voting separately as a class.

No Preemptive or Similar Rights

The holders of our shares of common stock and non-voting common stock are not entitled to preemptive rights, and are not subject to redemption or sinking fund provisions. The rights, preferences and privileges of the holders of our common stock or non-voting common stock are subject to, and may be adversely affected by, the right of the holders of shares of any series of preferred stock that we may designate in the future.

Fully Paid and Non-Assessable

In connection with this offering, our legal counsel will opine that the shares of our common stock and non-voting common stock to be issued under this offering will be fully paid and non-assessable.

Preferred Stock

As of March 31, 2024, there were shares of redeemable convertible preferred stock outstanding, consisting of shares of Series Seed redeemable convertible preferred stock, shares of Series A redeemable convertible preferred stock, shares of Series B redeemable convertible preferred stock, shares of Series B-1 redeemable convertible preferred stock, shares of Series B-2 redeemable convertible preferred stock, shares of Series B-2A redeemable convertible preferred stock, shares of Series C redeemable convertible preferred stock and shares of Series C-1 redeemable convertible preferred stock. As of March 31, 2024, there were outstanding shares of redeemable convertible preferred stock that will all be converted into an aggregate of shares of common stock and shares of non-voting common stock immediately prior to the closing of this offering.

Following the closing of this offering, under the terms of our amended and restated certificate of incorporation, our board of directors will have the authority, without further action by our stockholders, to issue up to shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the dividend, voting and other rights, preferences and privileges of the shares of each wholly unissued series and any qualifications, limitations or restrictions thereon, and to increase or decrease the number of shares of any such series, but not below the number of shares of such series then outstanding.

Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock and non-voting common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in our control and may adversely affect the market price of our common stock and non-voting common stock and the voting and other rights of the holders of our common stock and non-voting common stock. We have no current plans to issue any shares of preferred stock.

Stock Options; Shares Reserved for Future Issuance under the 2021 Plan; Shares to be Reserved for Future Issuance under the 2024 Plan

As of March 31, 2024, after giving effect to the Common Stock Reclassification, there were options to purchase shares of common stock outstanding under our 2021 Plan. For additional information

regarding the terms of our 2021 Plan, see the section titled "Executive Compensation—Equity Benefit Plans." Following completion of this offering, shares of our common stock will be reserved for future issuance under the 2024 Plan, which will become effective immediately prior to the execution of the underwriting agreement for this offering, as well as any future automatic annual increases in the number of shares of common stock reserved for issuance under the 2024 Plan and any shares underlying outstanding stock awards granted under the 2021 Plan, that expire or are repurchased, forfeited, cancelled, or withheld. For additional information regarding terms of our equity incentive plans, see the section titled "Executive Compensation—Equity Benefit Plans."

Registration Rights

Upon the closing of this offering and subject to the lock-up agreements entered into in connection with this offering and federal securities laws, certain holders of shares of our common stock, including those shares of common stock and non-voting stock that will be issued upon the conversion of our convertible preferred stock in connection with this offering, will initially be entitled to certain rights with respect to registration of such shares under the Securities Act. These shares are referred to as registrable securities. The holders of these registrable securities possess registration rights pursuant to the terms of our amended and restated investors' rights agreement and are described in additional detail below. The registration of shares of our common stock and non-voting common stock pursuant to the exercise of the registration rights described below would enable the holders to trade these shares without restriction under the Securities Act when the applicable registration statement is declared effective. We will pay the registration expenses, other than underwriting discounts, selling commissions and stock transfer taxes, of the shares registered pursuant to the demand, piggyback and Form S-3 registrations described below.

Generally, in an underwritten offering, the managing underwriter, if any, has the right, subject to specified conditions and limitations, to limit the number of shares the holders may include. The demand, piggyback and Form S-3 registration rights described below will expire no later than three years after the closing of this offering.

Demand Registration Rights

Upon the closing of this offering, holders of an aggregate of shares of our common stock will be entitled to certain demand registration rights. At any time beginning 180 days after the closing of this offering, the holders of % of these shares may request that we register all or a portion of their shares. We are not required to effect more than registration statements which are declared or ordered effective. Such request for registration must cover shares with an anticipated aggregate offering price, net of selling expenses, of at least $ million. With certain exceptions, we are not required to effect the filing of a registration statement during the period starting with the date of the filing of, and ending on a date 180 days following the effective date of the registration statement for this offering.

Piggyback Registration Rights

In connection with this offering, the holders of an aggregate of shares of our common stock were entitled to, and the necessary percentage of holders waived, their rights to notice of this offering and to include their shares of registrable securities in this offering. After this offering, in the event that we propose to register any of our securities under the Securities Act, either for our own account or for the account of other security holders, the holders of these shares will be entitled to certain piggyback registration rights allowing the holder to include their shares in such registration, subject to certain marketing and other limitations.

Form S-3 Registration Rights

Upon the closing of this offering, holders of an aggregate of shares of our common stock will be entitled to certain Form S-3 registration rights. Holders of % of these shares can make a request that we register their shares on Form S-3 if we are qualified to file a registration statement on Form S-3 and if the reasonably anticipated aggregate net proceeds of the shares offered would equal or exceed $ million. We will not be required to effect more than registrations on Form S-3 within any 12-month period.

Anti-Takeover Provisions

The provisions of Delaware law, our amended and restated certificate of incorporation and our amended and restated bylaws, which are summarized below, may have the effect of delaying, deferring or discouraging another person from acquiring control of our company. They are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

Certificate of Incorporation and Bylaws to be in Effect in connection with this Offering

Because our stockholders do not have cumulative voting rights, stockholders holding a majority of the voting power of our shares of common stock will be able to elect all of our directors. Our amended and restated certificate of incorporation, to be effective immediately after the closing of this offering, and our amended and restated bylaws, to be effective on the closing of this offering, will provide for stockholder actions at a duly called meeting of stockholders or, before the date on which all shares of common stock convert into a single class, by written consent. A special meeting of stockholders may be called by a majority of our board of directors, the chair of our board of directors, or our chief executive officer or president. Our amended and restated bylaws will establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our board of directors.

As described above in "Management—Composition of Our Board of Directors," in accordance with our amended and restated certificate of incorporation to be filed in connection with this offering, immediately prior to the completion of this offering, our board of directors will be divided into three classes with staggered three-year terms.

The foregoing provisions will make it more difficult for another party to obtain control of us by replacing our board of directors. Since our board of directors has the power to retain and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management. In addition, the authorization of undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change our control.

These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal and to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and may have the effect of deterring hostile takeovers or delaying changes in our control or management. As a consequence, these provisions may also inhibit fluctuations in the market price of our stock that could result from actual or rumored takeover attempts.

Section 203 of the Delaware General Corporation Law

When we have a class of voting stock that is either listed on a national securities exchange or held of record by more than 2,000 stockholders, we will be subject to Section 203 of the DGCL, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, subject to certain exceptions.

Choice of Forum

Our amended and restated certificate of incorporation to be effective immediately prior to the closing of this offering will provide that the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) and any appellate court therefrom is the sole and exclusive forum for the following claims or causes of action under the Delaware statutory or common law: (i) any derivative claim or cause of action brought on our behalf; (ii) any claim or cause of action for a breach of fiduciary duty owed by any of our current or former directors, officers, or other employees to us or our stockholders; (iii) any claim or cause

of action against us or any of our current or former directors, officers or other employees arising out of or pursuant to any provision of the DGCL, our amended and restated certificate of incorporation, or our bylaws (as each may be amended from time to time); (iv) any claim or cause of action seeking to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws (as each may be amended from time to time, including any right, obligation, or remedy thereunder); (v) any claim or cause of action as to which the DGCL confers jurisdiction to the Court of Chancery of the State of Delaware; and (vi) any claim or cause of action against us or any of our current or former directors, officers, or other employees governed by the internal-affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court's having personal jurisdiction over the indispensable parties named as defendants. Our amended and restated certificate of incorporation to be effective on the closing of this offering will further provide that the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause or causes of action arising under the Securities Act, including all causes of action asserted against an defendant to such complaint. The choice of forum provision would not apply to claims or causes of action brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction.

For the avoidance of doubt, these provisions are intended to benefit and may be enforced by us, our officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering. 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, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions. We note that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

Additionally, our amended and restated certificate of incorporation to be effective immediately after the closing of this offering will provide that any person or entity holding, owning or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions.

Limitations on Liability and Indemnification

See the section titled "Executive Compensation—Limitations on Liability and Indemnification."

Exchange Listing

Our common stock is currently not listed on any securities exchange. We intend to apply to have common stock approved for listing on The Nasdaq Global Market under the symbol "ALMS." Our non-voting common stock will not be listed on any securities exchange.

Transfer Agent and Registrar

On the closing of this offering, the transfer agent and registrar for our common stock will be . The transfer agent's address is .

SHARES ELIGIBLE FOR FUTURE SALE

Before the closing of this offering, there has been no public market for our common stock. Future sales of substantial amounts of our common stock, including shares issued on the exercise of outstanding options or upon conversion of our non-voting common stock, in the public market after this offering, or the possibility of these sales or issuances occurring, could adversely affect the prevailing market price for our common stock or impair our ability to raise equity capital.

Based on our shares of common stock outstanding as of March 31, 2024, upon the completion of this offering, a total of 181,015,104 shares of common stock will be outstanding, after giving effect to (i) issuance of 41,264,892 shares of Series C redeemable convertible preferred stock in May 2024, and (ii) the Preferred Stock Conversion and the Common Stock Reclassification (as if each had occurred as of March 31, 2024). Of these shares, all of the common stock sold in this offering by us, plus any shares sold by us on exercise of the underwriters' over-allotment option, will be freely tradable in the public market without restriction or further registration under the Securities Act, unless these shares are held by "affiliates," as that term is defined in Rule 144 under the Securities Act (Rule 144).

The remaining shares of common stock and non-voting common stock will be, and shares of common stock subject to stock options will be on issuance, "restricted securities," as that term is defined in Rule 144. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rules 144 or 701 under the Securities Act, which are summarized below. Restricted securities may also be sold outside of the United States to non-U.S. persons in accordance with Rule 904 of Regulation S.

Subject to the lock-up agreements described below and the provisions of Rule 144 or Regulation S under the Securities Act, as well as our insider trading policy, these restricted securities will be available for sale in the public market after the date of this prospectus.

Rule 144

In general, under Rule 144 as currently in effect, once we have been subject to public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, an eligible stockholder is entitled to sell such shares without complying with the manner of sale, volume limitation, or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. To be an eligible stockholder under Rule 144, such stockholder must not be deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and must have beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then such person is entitled to sell such shares without complying with any of the requirements of Rule 144, subject to the expiration of the lock-up agreements described below.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell shares on expiration of the lock-up agreements described below. Beginning 90 days after the date of this prospectus, within any three-month period, such stockholders may sell a number of shares that does not exceed the greater of:

- 1% of the number of shares of common stock and non-voting common stock then outstanding, which will equal approximately shares immediately after this offering, assuming no exercise of the underwriters' over-allotment option; or
- the average weekly trading volume of our common stock on The Nasdaq Global Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

Rule 701 of the Securities Act (Rule 701) generally allows a stockholder who was issued shares under a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the immediately preceding 90 days, to sell these shares in reliance on Rule 144, but without being required to comply with the public information, holding period, volume limitation, or notice provisions of Rule 144. Rule 701 also permits affiliates of our company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required by that rule to wait until 90 days after the date of this prospectus before selling those shares under Rule 701, subject to the expiration of the lock-up agreements described below.

Form S-8 Registration Statements

We intend to file one or more registration statements on Form S-8 under the Securities Act with the SEC to register the offer and sale of shares of our common stock that are issuable upon exercise of outstanding stock options under the 2021 Plan and 2024 POP and shares of our common stock reserved for future issuance under the 2024 Plan and ESPP. These registration statements will become effective immediately on filing. Shares covered by these registration statements will then be eligible for sale in the public markets, subject to vesting restrictions, any agreements described below, and Rule 144 limitations applicable to affiliates.

Lock-Up Arrangements

We, and all of our directors, executive officers and the holders of substantially all of our common stock and securities exercisable for or convertible into our common stock outstanding, have agreed with the underwriters that, until 180 days after the date of the underwriting agreement related to this offering, we and they will not, without the prior written consent of Morgan Stanley & Co, LLC, with respect to all of our directors, executive officers and security holders, and of Morgan Stanley & Co. LLC and Leerink Partners LLC, with respect to us, subject to certain exceptions, directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any of our shares of common stock, or any securities convertible into or exercisable or exchangeable for shares of our common stock (including shares of our non-voting common stock), or enter into any hedging, swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the securities, whether any such swap or transaction is to be settled by delivery of our common stock or other securities, in cash or otherwise. These agreements are described in the section titled "Underwriting." Morgan Stanley & Co. LLC, with respect to our directors, executive officers and security holders, and Morgan Stanley & Co. LLC and Leerink Partners LLC, with respect to us, may, in their sole discretion, release any of the securities subject to these lock-up agreements at any time.

In addition to the restrictions contained in the lock-up agreements described above, we have entered into agreements with certain of our security holders, including the amended and restated investors' rights agreement and our standard forms of option agreement, that contain market stand-off provisions or incorporate market stand-off provisions from our equity incentive plan imposing restrictions on the ability of such security holders to offer, sell or transfer our equity securities for a period of 180 days following the date of this prospectus.

Registration Rights

Upon the closing of this offering, pursuant to our amended and restated investors' rights agreement, the holders of shares of our common stock, or their transferees, will be entitled to certain rights with respect to the registration of the offer and sale of their shares (including shares of common stock issuable upon conversion of our non-voting common stock) under the Securities Act, subject to the terms of the lock-up agreements described under the subsection titled "—Lock-Up Arrangements" above. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act immediately on the effectiveness of the registration. Any sales of securities by these stockholders could have a material adverse effect on the trading price of our common stock. See the section titled "Description of Capital Stock—Registration Rights" for additional information.

CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following is a summary of material U.S. federal income tax consequences to non-U.S. holders (as defined below) of the purchase, ownership and disposition of our common stock offered pursuant to this prospectus. This discussion is not a complete analysis of all potential U.S. federal income tax consequences relating thereto, does not address the potential application of the Medicare contribution tax on net investment income, the alternative minimum tax, or the special tax accounting rules under Section 451(b) of the Internal Revenue Code of 1986, as amended (the Code), and does not address any U.S. federal non-income tax consequences such as estate or gift tax consequences or any tax consequences arising under any state, local, or non-U.S. tax laws. This discussion is based on the Code and applicable Treasury Regulations promulgated thereunder, judicial decisions and published rulings, and administrative pronouncements of the Internal Revenue Service, or the IRS, all as in effect as of the date hereof. These authorities are subject to differing interpretations and may change, possibly retroactively, resulting in U.S. federal income tax consequences different from those discussed below. We have not requested, and do not intend to request, a ruling from the IRS with respect to the U.S. federal income tax consequences discussed below, and there can be no assurance that the IRS or a court will agree with such tax consequences.

This discussion is limited to non-U.S. holders who purchase our common stock pursuant to this offering and who hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences that may be relevant to a particular non-U.S. holder in light of such non-U.S. holder's particular circumstances. Finally, this discussion does not address any specific facts or circumstances that may be relevant to non-U.S. holders subject to special rules under U.S. federal income tax laws, including:

- certain former citizens or long-term residents of the United States;
- partnerships, S corporations, or other entities or arrangements treated as partnerships, pass-through entities, or disregarded entities (including hybrid entities) for U.S. federal income tax purposes (and investors therein);
- "controlled foreign corporations" within the meaning of Section 957(a) of the Code;
- "passive foreign investment companies" within the meaning of Section 1297(a) of the Code;
- corporations that accumulate earnings to avoid U.S. federal income tax;
- banks, financial institutions, investment companies, insurance companies, brokers, dealers or traders in securities;
- real estate investment trusts or regulated investment companies;
- persons that have elected to mark securities to market;
- tax-exempt organizations (including private foundations), governmental organizations, or international organizations;
- tax-qualified retirement plans;
- persons that acquired our common stock through the exercise of employee stock options or otherwise as compensation;
- persons that acquired our common stock through the exercise of warrants or conversion rights under convertible instruments;
- persons that hold our common stock as "qualified small business stock" under Section 1202 of the Code or "Section 1244 stock" under Section 1244 of the Code;
- persons that acquired our common stock in a transaction subject to the gain rollover provisions of the Code (including Section 1045 of the Code);
- persons that own, or have owned, actually or constructively, more than 5% of our common stock;
- "qualified foreign pension funds" within the meaning of Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds; and

- persons that hold our common stock as part of a hedging or conversion transaction, straddle, a constructive sale, or any other risk reduction strategy or integrated investment.

If a partnership (or an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes) holds our common stock, the U.S. federal income tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. Partnerships that hold our common stock and the partners in such partnerships are urged to consult their tax advisors about the particular U.S. federal income tax consequences to them of holding and disposing of our common stock.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING, AND DISPOSING OF OUR COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL, OR NON-U.S. TAX LAWS AND ANY U.S. FEDERAL NON-INCOME TAX LAWS, OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of Non-U.S. Holder

For purposes of this discussion, a non-U.S. holder is any beneficial owner of our common stock that is not a "United States person" or a partnership (including any entity or arrangement treated as a partnership) for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or any entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust (1) whose administration is subject to the primary supervision of a U.S. court and which has one or more "United States persons" within the meaning of Section 7701(a)(30) of the Code who have the authority to control all substantial decisions of the trust or (2) that has a valid election in effect under applicable Treasury Regulations to be treated as a United States person.

Distributions on Our Common Stock

As described in the section titled "Dividend Policy" above, we have not paid and do not anticipate declaring or paying dividends in the foreseeable future. However, if we make cash or other property distributions on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Any portion of a distribution that exceeds our current and accumulated earnings and profits will constitute a return of capital and first will be applied against and reduce the non-U.S. holder's tax basis in our common stock, but not below zero. Any amount distributed in excess of tax basis will be treated as gain realized on the sale or other disposition of our common stock and, therefore, will be treated as described in the subsection titled "—Gain on Sale or Other Disposition of Our Common Stock" below.

Subject to the discussions below regarding effectively connected income, backup withholding, and FATCA (as defined below), dividends paid to a non-U.S. holder generally will be subject to U.S. federal withholding tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) of the gross amount of the dividends. To receive the benefit of a lower treaty rate, a non-U.S. holder must furnish the applicable withholding agent with a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or applicable successor form) certifying such non-U.S. holder's qualification for such rate. This certification must be provided to the applicable withholding agent before the payment of dividends and updated periodically. If the non-U.S. holder holds our common stock through a financial institution or other agent acting on the non-U.S. holder's behalf, the non-U.S. holder will be required to provide appropriate documentation to the financial institution or agent, which then will be required to provide certification to the applicable withholding agent, either directly or through other intermediaries.

If a non-U.S. holder holds our common stock in connection with the conduct of a trade or business in the United States, and dividends paid on our common stock are effectively connected with such non-U.S. holder's U.S. trade or business (and are attributable to such non-U.S. holder's permanent establishment in the United States, if required by an applicable tax treaty), the non-U.S. holder generally will be exempt from U.S. federal withholding tax. To claim the exemption, the non-U.S. holder must generally furnish a valid IRS Form W-8ECI (or applicable successor form) to the applicable withholding agent.

However, any such effectively connected dividends paid on our common stock generally will be subject to U.S. federal income tax on a net income basis at regular U.S. federal income tax rates in the same manner as if the non-U.S. holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items.

Non-U.S. holders that do not provide the required certification on a timely basis, but that qualify for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. holders are urged to consult their tax advisors about any applicable income tax treaties that may provide for different rules.

Gain on Sale or Other Disposition of Our Common Stock

Subject to the discussions below regarding backup withholding and FATCA, a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized on the sale or other disposition of our common stock, unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States and, if required by an applicable income tax treaty, is attributable to the non-U.S. holder's permanent establishment or fixed base maintained by the non-U.S. holder in the United States;
- the non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the sale or other disposition, and certain other requirements are met; or
- our common stock constitutes a "United States real property interest" by reason of our status as a United States real property holding corporation, or USRPHC, for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the sale or other disposition or the non-U.S. holder's holding period for our common stock, and our common stock is not regularly traded on an established securities market as defined by applicable Treasury Regulations.

Determining whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our other trade or business assets and our foreign real property interests. We do not believe that we are, or have been, and do not anticipate becoming, a USRPHC for U.S. federal income tax purposes, although there can be no assurance that we will not in the future become a USRPHC. Even if we are or were to become a USRPHC, gain arising from the sale or other disposition by a non-U.S. holder of our common stock may not be subject to U.S. federal income tax if our common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at regular U.S. federal income tax rates in the same manner as if the non-U.S. holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items. A non-U.S. holder described in the second bullet point above will be subject to U.S. federal income tax at a flat 30% rate (or such lower rate specified by an applicable income tax treaty) on gain realized upon the sale or other taxable disposition of our common stock which may be offset by certain U.S.-source capital losses (even though the individual is not considered a resident of the United States), provided that the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses. If we are or become a USRPHC during the period described in the third bullet point above and our common stock is not regularly traded for purposes of the relevant rules, gain arising from the sale or other taxable disposition of our common stock by a non-U.S. holder will generally be subject to U.S. federal income tax in the same manner as gain that is effectively

connected with the conduct of a U.S. trade or business, except that the branch profits tax generally will not apply to a corporate non-U.S. holder. Non-U.S. holders are urged to consult their tax advisors about any applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Annual reports are required to be filed with the IRS and provided to each non-U.S. holder indicating the amount of distributions on our common stock paid to such non-U.S. holder and the amount of any tax withheld with respect to those distributions. These information reporting requirements apply even if no withholding was required (because the distributions were effectively connected with the non-U.S. holder's conduct of a U.S. trade or business, or withholding was reduced or eliminated by an applicable income tax treaty) and regardless of whether such distributions constitute dividends. This information also may be made available under a specific treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established. Backup withholding, currently at a 24% rate, generally will not apply to payments to a non-U.S. holder of dividends on or the gross proceeds of a sale or other disposition of our common stock provided that the non-U.S. holder furnishes the required certification for its non-U.S. status, such as by providing a valid IRS Form W-8BEN, IRS Form W-8BEN-E, or IRS Form W-8ECI, or certain other requirements are met. Backup withholding may apply if the payor has actual knowledge, or reason to know, that the non-U.S. holder is a United States person who is not an exempt recipient.

Backup withholding is not an additional tax. If any amount is withheld under the backup withholding rules, non-U.S. holders are urged to consult their tax advisors about the possibility of and procedure for obtaining a refund or a credit against the non-U.S. holder's U.S. federal income tax liability, if any.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the Code (commonly referred to as FATCA), imposes a U.S. federal withholding tax of 30% on certain payments made to a "foreign financial institution" (as specially defined under the FATCA rules) unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding certain U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or an exemption applies. FATCA also generally will impose a U.S. federal withholding tax of 30% on certain payments made to a non-financial foreign entity unless such entity provides the withholding agent a certification identifying certain direct and indirect U.S. owners of the entity or an exemption applies. An intergovernmental agreement between the United States and an applicable non-U.S. country may modify these requirements. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. FATCA currently applies to dividends paid on our common stock and, subject to the proposed Treasury Regulations described below, also applies to payments of gross proceeds from sales or other dispositions of our common stock. The U.S. Treasury Department released proposed Treasury Regulations which, if finalized in their present form, would eliminate the U.S. federal withholding tax of 30% applicable to the gross proceeds of a sale or other disposition of our common stock. In its preamble to such proposed Treasury Regulations, the U.S. Treasury Department stated that taxpayers may generally rely on the proposed Treasury Regulations until final regulations are issued.

Prospective investors are urged to consult with their tax advisors about the possible implications of FATCA on their investment in our common stock.

UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC, Leerink Partners LLC, Cantor Fitzgerald & Co. and Guggenheim Securities, LLC are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares indicated below:

Name	Number of Shares
Morgan Stanley & Co. LLC	
Leerink Partners LLC	
Cantor Fitzgerald & Co.	
Guggenheim Securities, LLC	
Total:	

The underwriters and the representative are collectively referred to as the "underwriters" and the "representative," respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' over-allotment option described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ per share under the public offering price. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representative.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional shares of common stock.

		Total	
	Per Share	No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discounts and commissions to be paid by us	$	$	$
Proceeds, before expenses, to us	$	$	$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $. We have agreed to reimburse the underwriters for certain of their expenses in an amount up to $.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

We have applied to list our shares of common stock on the Nasdaq Global Market under the trading symbol "ALMS".

We and all directors and officers and the holders of all of our outstanding stock and stock options have agreed that, without the prior written consent of Morgan Stanley & Co. LLC, with respect to our officers, directors and security holders, and of Morgan Stanley & Co. LLC and Leerink Partners LLP, with respect to us, on behalf of the underwriters, we and they will not, and will not publicly disclose an intention to, during the period ending 180 days after the date of this prospectus (the "restricted period"):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock;
- file any registration statement with the Securities and Exchange Commission relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock.

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of Morgan Stanley & Co. LLC, with respect to our officers, directors and security holders, and of Morgan Stanley & Co. LLC and Leerink Partners LLP, with respect to us, on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

The restrictions described in the immediately preceding paragraph to do not apply to:

- the sale of shares to the underwriters; or
- the issuance by the Company of shares of common stock upon the exercise of an option or a warrant or the conversion of a security outstanding on the date of this prospectus of which the underwriters have been advised in writing;
- transactions by any person other than us relating to shares of common stock or other securities acquired in open market transactions after the completion of the offering of the shares; provided that no filing under Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is required or voluntarily made in connection with subsequent sales of the common stock or other securities acquired in such open market transactions; or
- facilitating the establishment of a trading plan on behalf of a shareholder, officer or director of the Company pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock, provided that (i) such plan does not provide for the transfer of common stock during the restricted period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by the Company regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of common stock may be made under such plan during the restricted period.

Morgan Stanley & Co. LLC, in its sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market

price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representative may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representative to underwriters that may make Internet distributions on the same basis as other allocations.

Other Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Pricing of the Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price was determined by negotiations between us and the representative. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Selling Restrictions

Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the Corporations Act), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (Exempt Investors) who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), “professional investors” (within

the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring the shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the DFSA). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

European Economic Area

In relation to each member state of the European Economic Area and the United Kingdom (each, a "Relevant State"), no securities have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the securities which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of securities may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the representative; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of shares shall require us or any of our representative to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase any shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended).

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA") received by it in connection with the issue or sale of our shares of common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of common stock in, from or otherwise involving the United Kingdom.

No shares have been offered or will be offered pursuant to the offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the shares which has been approved by the Financial Conduct Authority, except that the shares may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation (as defined below);

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the representative for any such offer; or

(c) in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of the shares shall require us or any of the representative to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

This prospectus is only for distribution to and directed at: (i) in the United Kingdom, persons having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order), and high net worth entities falling within Article 49(2)(a) to (d) of the Order; (ii) persons who are outside the United Kingdom; and (iii) any other person to whom it can otherwise be lawfully distributed (all such persons together, Relevant Persons). Any investment or investment activity to which this prospectus relates is available only to and will be engaged in only with Relevant Persons, and any person who is not a Relevant Person should not rely on it.

Hong Kong

The shares of common stock have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares of common stock has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares of common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Israel

In the State of Israel this prospectus shall not be regarded as an offer to the public to purchase shares of common stock under the Israeli Securities Law, 5728 - 1968, which requires a prospectus to be published and authorized by the Israel Securities Authority, if it complies with certain provisions of Section 15 of the Israeli Securities Law, 5728 - 1968, including if: (i) the offer is made, distributed or directed to not more than 35 investors, subject to certain conditions (the Addressed Investors); or (ii) the offer is made, distributed or directed to certain qualified investors defined in the First Addendum of the Israeli Securities Law, 5728 - 1968, subject to certain conditions (the Qualified Investors). The Qualified Investors shall not be taken into account in the count of the Addressed Investors and may be offered to purchase shares of common stock in addition to the 35 Addressed Investors. The company has not and will not take any action that would require it to publish a prospectus in accordance with and subject to the Israeli Securities Law, 5728 - 1968. We have not and will not distribute this prospectus or make, distribute or direct an offer to subscribe for our shares of common stock to any person within the State of Israel, other than to Qualified Investors and up to 35 Addressed Investors.

Qualified Investors may have to submit written evidence that they meet the definitions set out in of the First Addendum to the Israeli Securities Law, 5728 - 1968. In particular, we may request, as a condition to be offered shares of common stock, that Qualified Investors will each represent, warrant and certify to us and/or to anyone acting on our behalf: (i) that it is an investor falling within one of the categories listed in the First Addendum to the Israeli Securities Law, 5728 - 1968; (ii) which of the categories listed in the First Addendum to the Israeli Securities Law, 5728 - 1968 regarding Qualified Investors is applicable to it; (iii) that it will abide by all provisions set forth in the Israeli Securities Law, 5728 - 1968 and the regulations promulgated thereunder in connection with the offer to be issued shares of common stock; (iv) that the shares of common stock that it will be issued are, subject to exemptions available under the Israeli Securities Law, 5728 - 1968: (a) for its own account; (b) for investment purposes only; and (c) not issued with a view to resale within the State of Israel, other than in accordance with the provisions of the Israeli Securities Law, 5728 - 1968; and (v) that it is willing to provide further evidence of its Qualified Investor status. Addressed Investors may have to submit written evidence in respect of their identity and may have to sign and submit a declaration containing, inter alia, the Addressed Investor's name, address and passport number or Israeli identification number.

Japan

The shares of common stock have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person (as defined below) or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" means any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the shares of common stock were not offered or sold or caused to be made the subject of an invitation for subscription or purchase and will not be offered or sold or caused to be made the subject of an invitation for subscription or purchase, and this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares of common stock, has not been circulated or distributed, nor will it be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore (as modified or amended from time to time, the SFA)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares of common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor;

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the securities pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law; or

(d) as specified in Section 276(7) of the SFA.

Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (the SIX) or on any other stock exchange or regulated trading facility in Switzerland. This prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this prospectus nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this prospectus nor any other offering or marketing material relating to us, the offering, or the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this prospectus will not be filed with, and the offering of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the offering of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (the CISA). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the shares.

LEGAL MATTERS

The validity of the shares of our common stock being offered in this prospectus will be passed upon for us by Cooley LLP. Certain legal matters in connection with this offering will be passed upon for the underwriters by Latham & Watkins LLP. As of the date of this prospectus, GC&H Investments, LLC, an entity comprised of partners and associates of Cooley LLP, beneficially owns shares of common stock issuable upon the conversion of our redeemable convertible preferred stock.

EXPERTS

The financial statements as of December 31, 2022 and December 31, 2023 and for each of the two years in the period ended December 31, 2023 included in this Prospectus have been so included in reliance on the report (which contains an explanatory paragraph relating to the Company's ability to continue as a going concern as described in Note 1 to the financial statements) of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. The SEC also maintains an internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

On the closing of this offering, we will be subject to the information reporting requirements of the Exchange Act, and we will file reports, proxy statements and other information with the SEC. These reports, proxy statements and other information will be available for inspection and copying at the public reference room and website of the SEC referred to above. We also maintain a website at www.alumis.com. Upon the completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. The information contained in or accessible through our website is not part of this prospectus or the registration statement of which this prospectus forms a part, and investors should not rely on such information in making a decision to purchase our common stock in this offering.

ALUMIS INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Alumis Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Alumis Inc. and its subsidiaries (the "Company") as of December 31, 2023 and 2022, and the related consolidated statements of operations and comprehensive loss, of redeemable convertible preferred stock and stockholders' deficit and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Substantial Doubt About the Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has incurred negative operating cash flows and significant losses from operations since its inception that raise substantial doubt about it's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

San Jose, California
April 10, 2024

We have served as the Company's auditor since 2022.

ALUMIS INC.
CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)	December 31, 2022	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 25,610	$ 45,996
Marketable securities	67,255	2,956
Restricted cash	206	113
Research and development prepaid expenses	8,186	2,661
Other prepaid expenses and current assets	1,298	1,631
Total current assets	102,555	53,357
Restricted cash, non-current	1,138	1,024
Property and equipment, net	2,780	22,441
Operating lease right-of-use assets, net	1,695	12,783
Other long-term assets	—	7
Total assets	$ 108,168	$ 89,612
Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Deficit		
Current liabilities		
Accounts payable	$ 1,720	$ 1,118
Research and development accrued expenses	5,779	10,946
Other accrued expenses and current liabilities	4,543	7,087
Operating lease liabilities, current	1,310	1,720
Total current liabilities	13,352	20,871
Operating lease liabilities, non-current	469	30,860
Share repurchase liability	3,605	1,771
Other liabilities, non-current	511	—
Total liabilities	17,937	53,502
Commitments and contingencies (Note 8)		
Redeemable convertible preferred stock, $0.0001 par value; 67,960,088 and 89,016,578 shares authorized as of December 31, 2022 and 2023, respectively; 67,960,088 and 85,960,088 shares issued and outstanding as of December 31, 2022 and 2023, respectively; aggregate liquidation preference of $280,540 and $370,540 as of December 31, 2022 and 2023, respectively	285,473	375,370
Stockholders' deficit:		
Common stock, $0.0001 par value; 100,000,000 and 125,000,000 Class A shares authorized as of December 31, 2022 and 2023, respectively; 12,353,021 and 12,510,338 Class A shares issued and outstanding as of December 31, 2022 and 2023, respectively; 67,960,088 and 85,960,088 Class B shares authorized as of December 31, 2022 and 2023, respectively; no Class B shares issued and outstanding as of December 31, 2022 and 2023	1	1
Additional paid-in capital	14,209	25,055
Accumulated other comprehensive (loss) income	(127)	2
Accumulated deficit	(209,325)	(364,318)
Total stockholders' deficit	(195,242)	(339,260)
Total liabilities, redeemable convertible preferred stock and stockholders' deficit	$ 108,168	$ 89,612

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

ALUMIS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(in thousands, except share and per share amounts)	Year ended December 31, 2022	Year ended December 31, 2023
Operating expenses:		
Research and development expenses, including related party expenses of $1,570 and $1,519 for the years ended December 31, 2022 and 2023, respectively	$ 101,304	$ 137,676
General and administrative expenses	12,546	20,498
Total operating expenses	113,850	158,174
Loss from operations	(113,850)	(158,174)
Other income (expense):		
Interest income	1,992	3,368
Change in fair value of derivative liability	—	(119)
Other income (expenses), net	(72)	(68)
Total other income (expense), net	1,920	3,181
Net loss	$ (111,930)	$ (154,993)
Other comprehensive (loss) income:		
Unrealized (loss) gain on marketable securities, net	(127)	129
Net loss and other comprehensive loss	$ (112,057)	$ (154,864)
Net loss per share attributable to Class A common stockholders, basic and diluted	$ (14.93)	$ (15.42)
Weighted-average Class A common shares outstanding, basic and diluted	7,497,622	10,052,198

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

ALUMIS INC.
CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT

(in thousands, except share amounts)	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance at December 31, 2021	**47,960,088**	**$185,580**	**11,468,295**	**$ 1**	**$ 6,598**	**$ —**	**$ (97,395)**	**$ (90,796)**
Issuance of Series B redeemable convertible preferred stock for cash, net of issuance costs of $107	20,000,000	99,893	—	—	—	—	—	—
Issuance of common stock upon exercise of stock options and early exercise of stock options	—	—	884,726	—	12	—	—	12
Vesting of early exercised stock options	—	—	—	—	1,596	—	—	1,596
Vesting of restricted shares of common stock	—	—	—	—	43	—	—	43
Stock-based compensation expense	—	—	—	—	5,960	—	—	5,960
Other comprehensive loss, net	—	—	—	—	—	(127)	—	(127)
Net loss	—	—	—	—	—	—	(111,930)	(111,930)
Balance at December 31, 2022	**67,960,088**	**285,473**	**12,353,021**	**1**	**14,209**	**(127)**	**(209,325)**	**(195,242)**
Issuance of Series B-2 and B-2A redeemable convertible preferred stock in May 2023 for cash, net of derivative liability of $2,112 and issuance costs of $208	12,000,000	57,679	—	—	—	—	—	—
Issuance of Series B-2 and B-2A redeemable convertible preferred stock in October 2023 for cash, net of issuance costs of $13, and settlement of derivative liability of $2,231	6,000,000	32,218	—	—	—	—	—	—
Issuance of common stock upon exercise of stock options and early exercise of stock options	—	—	226,484	—	277	—	—	277
Vesting of early exercised stock options	—	—	—	—	1,921	—	—	1,921
Vesting of restricted shares of common stock	—	—	—	—	23	—	—	23
Repurchase of unvested early exercised stock options	—	—	(69,167)	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	8,625	—	—	8,625
Other comprehensive income, net	—	—	—	—	—	129	—	129
Net loss	—	—	—	—	—	—	(154,993)	(154,993)
Balance at December 31, 2023	**85,960,088**	**$375,370**	**12,510,338**	**$ 1**	**$25,055**	**$ 2**	**$(364,318)**	**$(339,260)**

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

ALUMIS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Year ended December 31, 2022	Year ended December 31, 2023
Cash flows from operating activities		
Net loss	$ (111,930)	$ (154,993)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	5,960	8,625
Non-cash lease expense	950	2,010
Depreciation and amortization	250	1,284
Net accretion of discounts on marketable securities	(1,036)	(544)
Loss on abandonment of right-of-use assets	—	645
Loss on disposal of fixed assets	—	266
Change in fair value of derivative liability	—	119
Write-off of deferred offering costs	—	555
Changes in operating assets and liabilities:		
Research and development prepaid expenses	(7,334)	5,526
Other prepaid expenses and current assets	(1,019)	(340)
Accounts payable	1,294	(642)
Research and development accrued expenses, including changes in related party balances of ($614) and $2 for the years ended December 31, 2022 and 2023, respectively	2,383	5,168
Other accrued expenses and current liabilities	3,580	2,490
Operating lease liabilities	(820)	(144)
Net cash used in operating activities	(107,722)	(129,975)
Cash flows from investing activities		
Maturities of marketable securities	142,730	76,250
Purchases of marketable securities	(209,075)	(11,279)
Purchases of property and equipment	(2,406)	(4,499)
Net cash (used in) provided by investing activities	(68,751)	60,472
Cash flows from financing activities		
Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs	99,893	89,778
Proceeds from issuance of common stock upon exercise of stock options	1,734	453
Payments of deferred offering costs	—	(485)
Repurchase of unvested stock options	—	(64)
Net cash provided by financing activities	101,627	89,682
Net increase (decrease) in cash, cash equivalents and restricted cash	(74,846)	20,179
Cash, cash equivalents and restricted cash at beginning of period	101,800	26,954
Cash, cash equivalents and restricted cash at end of period	$ 26,954	$ 47,133
Supplemental disclosures:		
Right-of-use assets obtained in exchange for operating lease liabilities	$ 896	$ 14,255
Vesting of early exercised stock options and unvested restricted shares of common stock	$ 1,639	$ 1,944
Purchases of property and equipment in other accrued expenses and current liabilities	$ 27	$ 49
Property and equipment acquired through tenant improvement allowance	$ 511	$ 16,691
Recognition of derivative liability upon issuance of redeemable convertible preferred stock	$ —	$ 2,112
Settlement of derivative liability upon issuance of redeemable convertible preferred stock	$ —	$ (2,231)
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	$ 25,610	$ 45,996
Restricted cash	206	113
Restricted cash, non-current	1,138	1,024
Total cash, cash equivalents and restricted cash	$ 26,954	$ 47,133

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Nature of the Business

Organization and Business

Alumis Inc. (the "Company") is a clinical stage biopharmaceutical company focused on identifying, acquiring, and accelerating the development and commercialization of transformative medicines for autoimmune disorders. The Company leverages its proprietary precision data analytics platform, biological insights, and a team of experts with deep experience in precision medicine drug discovery, development, and immunology, to create medicines that significantly improve the lives of patients by replacing broad immunosuppression with targeted therapies.

The Company was founded on January 29, 2021 as a Delaware corporation under the name FL2021-001, Inc. FL2021-001, Inc.'s name was changed to Esker Therapeutics, Inc. on March 8, 2021 and to Alumis Inc. on January 6, 2022. The Company is headquartered in South San Francisco, California.

As of December 31, 2022 and 2023, the Company had two wholly owned subsidiaries, FronThera U.S. Holdings, Inc. and FronThera U.S. Pharmaceuticals LLC. These subsidiaries have no operations during 2022 and 2023 years.

Liquidity and Going Concern

The Company has incurred negative operating cash flows and significant losses from operations since its inception. For the years ended December 31, 2022 and 2023, the Company incurred net losses of $111.9 million and $155.0 million, respectively. Cash used in operating activities was $107.7 million and $130.0 million for the years ended December 31, 2022 and 2023, respectively. As of December 31, 2023, the Company had an accumulated deficit of $364.3 million.

The Company has historically financed its operations primarily through issuance of redeemable convertible preferred stock and convertible promissory notes in private placements. The Company expects to continue to incur substantial losses for the foreseeable future, and its ability to achieve and sustain profitability will depend on the successful development, approval, and commercialization of any product candidates it may develop, and on the achievement of sufficient revenue to support its cost structure. The Company may never achieve profitability and, unless and until it does, it will need to continue to raise additional capital. As of December 31, 2023, the Company had cash, cash equivalents and marketable securities of $49.0 million. In March 2024, the Company received aggregate gross proceeds of $129.5 million from the issuance and sale of 41,264,891 shares of its Series C redeemable convertible preferred stock at a purchase price of $3.13826 per share (the "First Tranche Series C Closing") and, at the discretion of the Company's board of directors, the Company is obligated to sell and Series C investors are obligated to purchase up to $129.5 million worth of additional shares of Series C redeemable convertible preferred stock on the same terms and at the same purchase price per share as in the First Tranche Series C Closing on or before the earliest of (i) December 31, 2024, (ii) the execution of a letter of intent for the sale of the Company, or (iii) the closing date of the Company's initial public offering (the "Second Tranche Series C Closing"). The Second Tranche Series C Closing is subject to certain conditions and events as described in Note 15, Subsequent Events.

Management expects that existing cash, cash equivalents and marketable securities together with the Series C financing aggregate gross proceeds of $129.5 million received in March 2024 are not sufficient to fund its current operating plan for at least the next 12 months from the date of issuance of these consolidated financial statements. Additional funds are necessary to maintain current operations and to continue research and development activities. The Company's management plans to monitor expenses and may raise additional capital through a combination of public and private equity, debt financings, strategic alliances, and licensing arrangements. The Company's ability to access capital when needed is not assured and, if capital is not available to the Company when, and in the amounts, needed, on the terms which are favorable, the Company could be required to delay, scale back, or abandon some or all of its development programs and other operations, which could materially harm the Company's business, financial condition and results of operations. These factors raise substantial doubt about the Company's ability to continue as a going concern.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Organization and Nature of the Business (Continued)

Liquidity and Going Concern (Continued)

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The accompanying consolidated financial statements do not reflect any adjustments relating to the recoverability and reclassifications of assets and liabilities that might be necessary if the Company is unable to continue as a going concern.

2. Summary of Significant Accounting Policies and Basis of Presentation

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Company's consolidated financial statements include the accounts of FronThera U.S. Holdings, Inc. and FronThera U.S. Pharmaceuticals LLC, two wholly owned subsidiaries, and all intercompany transactions are eliminated.

Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates ("ASU") of the Financial Accounting Standards Board ("FASB").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. On an ongoing basis, the Company evaluates estimates and assumptions, including but not limited to those related to the fair value of its common and redeemable convertible preferred stock, the fair value of derivative liability, stock-based compensation expense, accruals for research and development expenses and the valuation of deferred tax assets. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from those estimates.

Segment and Geographical Information

The Company operates and manages its business as one reportable and operating segment, which is the business of developing medicines for autoimmune disorders. The chief executive officer, who is the chief operating decision maker, reviews financial information on an aggregate basis for purposes of allocating resources and evaluating financial performance. All of the Company's long-lived assets are located in the United States.

Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentration of credit risk consist primarily of cash, investments in marketable securities and restricted cash. The Company maintains bank deposits in federally insured financial institutions and these deposits exceed federally insured limits. To date, the Company has not experienced any losses on its deposits of cash and periodically evaluates the creditworthiness of its financial institutions.

The Company may also invest in money market funds, commercial paper, U.S. treasuries, corporate bonds, supranational debt securities and agency bonds, which can be subject to certain credit risks. The Company mitigates the risks by investing in high-grade instruments, limiting its exposure to any one issuer and monitoring the ongoing creditworthiness of the financial institutions and issuers. The Company has not experienced any loss of principal on its financial instruments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies and Basis of Presentation (Continued)

Risks and Uncertainties

The Company is subject to certain risks and uncertainties, including, but not limited to, changes in any of the following areas that the Company believes could have a material adverse effect on the future financial position or results of operations: the Company's ability to advance the development of its proprietary precision data analytics platform, timing and ability to advance its product candidates through preclinical and clinical development; costs and timelines associated with the manufacturing of clinical supplies; regulatory approval, market acceptance of, and reimbursement for, any product candidates the Company may develop; performance of third-party vendors; competition from pharmaceutical or other biotechnology companies with greater financial resources or expertise; protection of intellectual property; litigation or claims against the Company based on intellectual property or other factors; and its ability to attract and retain employees necessary to support its growth.

The Company's business and operations may be affected by worldwide economic conditions, which may continue to be impacted by global macroeconomic challenges, such as the effects of the ongoing military conflicts in Ukraine, Israel, and the Middle East, tensions in U.S.-China relations, uncertainty in the markets, including disruptions in the banking industry, the COVID-19 pandemic and inflationary trends. Fiscal years 2022 and 2023 were marked by significant market uncertainty and increasing inflationary pressures. These market dynamics continue into 2024, and these and similar adverse market conditions may negatively impact the Company's business, financial position and results of operations.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. As of December 31, 2022 and 2023, cash and cash equivalents consisted of bank deposits and investments in money market funds and U.S. treasuries.

Restricted Cash

Restricted cash of $1.3 million and $1.1 million as of December 31, 2022 and 2023, respectively, represents security deposits in the form of letters of credit issued in connection with the Company's leases (see Note 8).

Marketable Securities

Marketable securities may consist of commercial paper, U.S. treasuries, corporate bonds, supranational debt securities and agency bonds with original maturities of three months or more at the time of purchase and are included in current assets. As the Company's entire investment portfolio is considered available for use in current operations, the Company classifies all investments as available-for-sale and as current assets, even though the stated maturity may be more than one year from the current balance sheet date. Marketable securities are carried at fair value, with change in fair value reported as unrealized gains or losses in accumulated other comprehensive (loss) income, which is a separate component of stockholders' deficit in the consolidated balance sheets.

The amortized cost of marketable securities is adjusted for amortization of premiums and accretion of discounts to maturity, which is included in interest income in the consolidated statements of operations and comprehensive loss.

Realized gains and losses on the sale of securities are determined by specific identification of each security's cost basis. The Company regularly reviews its investment portfolio to determine if any security is impaired, which would require it to record an allowance for credit losses or an impairment charge in the period any such determination is made. In making this judgment, the Company evaluates, among other things, the extent to which the fair value of a security is less than its amortized cost, its intent to sell or whether it is more likely than not that the Company will be required to sell the security before recovery of its amortized cost basis, the financial condition of the issuer and any changes thereto, and, as necessary, the portion of a decline in fair

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies and Basis of Presentation (Continued)

Marketable Securities (Continued)

value that is credit-related. This assessment could change in the future due to new developments or changes in assumptions related to any particular security. Realized gains and losses, allowances for credit losses and impairments on available-for-sale securities, if any, are recorded in the consolidated statements of operations and comprehensive loss.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying amounts of cash equivalents, prepaid expenses and other current assets, accounts payable, accrued expenses and other liabilities, approximate fair value due to their short-term maturities. Financial instruments, such as money market funds, marketable securities and derivative liability are measured at fair value at each reporting date (see Note 3).

Deferred Finance Issuance Costs

Deferred finance issuance costs, consisting of legal, accounting and other third-party fees directly relating to in-process equity financings or offerings are capitalized. The deferred finance issuance costs will be offset against offering proceeds upon the completion of the financing or the offering. In the event the financing or the offering is terminated or delayed, deferred finance issuance costs will be expensed immediately as a charge to general and administrative expenses in the consolidated statements of operations and comprehensive loss. As of December 31, 2022 and 2023, the Company did not have any capitalized deferred finance issuance costs.

Property and Equipment, net

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is calculated using the straight-line method over the estimated useful lives of assets. Costs for capital assets not yet placed into service are capitalized as construction-in-progress and depreciated once placed into service. Repair and maintenance costs, which are not considered improvements and do not extend the useful life of property and equipment, are expensed as incurred. Improvements are capitalized as additions to property and equipment. Upon sale or retirement of assets, the costs and related accumulated depreciation are removed from the consolidated balance sheets and the resulting gain or loss is reflected within operating expenses in the consolidated statements of operations and comprehensive loss.

Asset Acquisitions and Acquired In-Process Research and Development Expenses

The Company measures and recognizes asset acquisitions that are not deemed to be business combinations based on the cost to acquire the asset or group of assets, which includes transaction costs. The Company determines if the acquisition should be accounted for as an asset acquisition after considering whether substantially all of the fair value of the gross assets acquired is concentrated in a single asset or group of assets and whether the Company acquired a substantive process capable of significantly contributing to the Company's ability to create outputs. Goodwill is not recognized in asset acquisitions. If acquired in-process technology assets, including licenses, know-how and patents are determined to not have an alternative future use, the cost is charged to research and development expenses at the acquisition date.

The Company accounts for contingent consideration identified in an asset acquisition that does not meet the definition of a derivative under ASC 815, *Derivatives and Hedging*, when the payment becomes probable and reasonably estimable. Such amounts are expensed or capitalized based on the nature of the associated asset at the date the related contingency is recognized.

Leases

The Company determines whether an arrangement is or contains a lease at the inception of the arrangement and whether such a lease should be classified as a financing lease or operating lease at the commencement date

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies and Basis of Presentation (Continued)

Leases (Continued)

of the lease. Leases with a term greater than one year are recognized on the consolidated balance sheets as operating right-of-use assets ("ROU assets") and operating lease liabilities. The Company elected not to recognize the right-of-use assets and lease liabilities for leases with lease terms of one year or less (short-term leases). Lease liabilities and their corresponding ROU assets are recorded based on the present value of lease payments over the lease term. The Company considers the lease term to be the noncancelable period that it has the right to use the underlying asset, together with any periods where it is reasonably certain it will exercise an option to extend (or not terminate) the lease. As the interest rate implicit in the Company's lease contracts is not readily determinable, the Company utilizes its incremental borrowing rate ("IBR") to determine the present value of lease payments. The IBR is derived from information available at the lease commencement date and represents the rate of interest that a lessee would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term in a similar economic environment.

Rent expense for operating leases is recognized on a straight-line basis over the lease term. The Company has elected to not separate lease and non-lease components for its real estate leases and instead accounts for each separate lease component and the non-lease components associated with that lease component as a single lease component. Variable lease payments are recognized as incurred.

As of December 31, 2022 and 2023, the Company had no finance leases.

Impairment of Long-Lived Assets

The Company regularly reviews the carrying value and estimated lives of all of its long-lived assets, including property and equipment, and ROU assets to determine whether indicators of impairment may exist which warrant adjustments to carrying values or estimated useful lives. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset group to future undiscounted net cash flows expected to be generated by the asset or asset group. Should impairment exist, the impairment loss to be recognized is measured by the amount by which the carrying amount of the asset exceeds the projected discounted future net cash flows arising from the asset.

Derivative Liability

The Company may issue financial instruments, such as promissory notes or redeemable convertible preferred stock to its investors, which include embedded derivatives, such as call options. Derivatives are accounted for under ASC 815, *Derivatives and Hedging*. The Company performs analysis of derivatives embedded in the financial instruments, and if any requires bifurcation, accounts for these at fair value at the issuance date. In May 2023, the Company issued Series B-2/B-2A redeemable convertible preferred stock shares, which included embedded derivatives that required bifurcation.

A derivative liability is accounted for separately from the financial instrument at fair value on the issuance date and is remeasured each reporting period. The changes in the fair value of the derivative liability are included in change in fair value of derivative liability within the consolidated statements of operations and comprehensive loss.

Redeemable Convertible Preferred Stock

The Company records redeemable convertible preferred stock at their respective fair values on the dates of issuance, net of issuance costs. The redeemable convertible preferred stock is recorded outside of permanent equity because while it is not mandatory, redemption is contingent upon the occurrence of certain events considered not solely within the Company's control. The Company has not adjusted the carrying values of the redeemable convertible preferred stock to the liquidation preferences of such stock, because it is uncertain whether or when a deemed liquidation event would occur that would obligate the Company to pay the liquidation preferences to holders of redeemable convertible preferred stock. Subsequent adjustments to the carrying values to the liquidation preferences will be made only when it becomes probable that such a deemed liquidation event will occur.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies and Basis of Presentation (Continued)

Research and Development Costs and Accruals

Research and development costs are expensed as incurred. Research and development costs consist primarily of costs associated with acquiring technology and intellectual property licenses that have no alternative future uses, costs incurred under in-license or assignment agreements, salaries and benefits of research and development personnel, costs related to research activities, preclinical studies, clinical trials, drug manufacturing, third-party professional research and development consulting services, and allocated overhead and facility-related expenses. Payments associated with licensing agreements to acquire exclusive licenses to develop, use, manufacture and commercialize products that have not reached technological feasibility and do not have alternate future use will also be expensed as incurred.

The Company records accrued liabilities for estimated costs of its research and development activities conducted by third-party service providers. The Company accrues these costs based on factors such as estimates of the work completed and in accordance with the third-party service agreements. If the Company does not identify costs that have begun to be incurred or if the Company underestimates or overestimates the level of services performed or the costs of these services, actual expenses could differ from the estimates. To date, the Company has not experienced any material differences between accrued costs and actual costs incurred.

Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are recorded as prepaid expenses. The prepaid amounts are expensed as the related goods are delivered or the services are performed and classified as current or non-current prepaid expenses and other assets.

The Company makes payments in connection with clinical trials to contract manufacturing organizations ("CMOs") that manufacture the materials for its product candidates and to clinical research organizations ("CROs") and clinical trial sites that conduct and manage the Company's clinical trials. The financial terms of these contracts are subject to negotiation, which vary by contract and may result in payments that do not match the periods over which materials or services are provided. Generally, these agreements set forth the scope of work to be performed at a fixed fee, unit price or on a time and materials basis. The Company makes estimates of accrued research and development expenses as of each balance sheet date based on facts and circumstances known at that time. The Company periodically confirms the accuracy of its estimates with the service providers and makes adjustments, if necessary. Research and development accruals are estimated based on the level of services performed, progress of the studies, including the phase or completion of events, and contracted costs. The estimated costs of research and development services provided, but not yet invoiced, are included in accrued expenses on the consolidated balance sheets. If the actual timing of the performance of services or the level of effort varies from the original estimates, the Company will adjust the accrual accordingly.

Patent Costs

All patent-related costs incurred in connection with filing and prosecuting patent applications are expensed as incurred due to the uncertainty about the recovery of the expenditure. Amounts incurred are classified as general and administrative expenses in the consolidated statements of operations and comprehensive loss.

Stock-Based Compensation

The Company grants stock-based awards to employees, directors and non-employee consultants in the form of stock options to purchase shares of its common stock. The Company measures stock options with service-based vesting granted based on the fair value of the award on the grant date using the Black-Scholes option-pricing model. The model requires management to make a number of assumptions, including common stock fair value, expected volatility, expected term, risk-free interest rate and expected dividend yield. The Company estimates common stock fair value using methodologies, approaches and assumptions consistent with the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies and Basis of Presentation (Continued)

Stock-Based Compensation (Continued)

American Institute of Certified Public Accountants Accounting and Valuation Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation* (the "Practice Aid"). The Company expenses the fair value of its equity-based compensation awards on a straight-line basis over the requisite service period, which is the period in which the related services are received. The Company accounts for award forfeitures as they occur.

The Company classifies stock-based compensation expense in its consolidated statements of operations and comprehensive loss in the same manner in which the award recipient's salary or services costs are classified.

Income Taxes

The Company accounts for income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the consolidated financial statements or in the Company's tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Changes in deferred tax assets and liabilities are recorded in the provision for income taxes.

The Company assesses the likelihood of deferred tax assets being realized. It provides a valuation allowance when it is more likely than not that some portion or all of a deferred tax asset 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 the temporary differences representing net future deductible amounts become deductible.

Tax benefits related to uncertain tax positions are recognized when it is more likely than not that a tax position will be sustained during an audit. Tax positions that meet the more-likely-than-not threshold are measured at the largest amount of tax benefit that is greater than 50% likely of being realized upon settlement with the taxing authority. Interest and penalties related to unrecognized tax benefits are included within the provision for income tax.

Comprehensive Loss

Comprehensive loss represents all changes in stockholders' deficit except those resulting from distributions to stockholders. The Company's other comprehensive (loss) income for the years ended December 31, 2022 and 2023 consisted of unrealized gains or losses on investments in marketable securities, net of taxes.

Net Loss Per Share Attributable to Common Stockholders

Basic net loss per common share is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, without consideration of potentially dilutive securities. Diluted net loss per share is computed by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock and potentially dilutive securities outstanding for the period. For purposes of the diluted net loss per share calculation, the redeemable convertible preferred stock, unvested common stock shares subject to repurchase and stock options are considered to be potentially dilutive securities.

Basic and diluted net loss attributable to common stockholders per share is presented in conformity with the two-class method required for participating securities as the redeemable convertible preferred stock are considered participating securities The Company's participating securities do not have a contractual obligation to share in the Company's losses. As such, the net loss is attributed entirely to common stockholders. Because the Company has reported a net loss for the reporting periods presented, the diluted net loss per common share is the same as basic net loss per common share for those periods.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies and adopted by the Company as of the specified effective date. The Company qualifies as an "emerging

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies and Basis of Presentation (Continued)

Recent Accounting Pronouncements (Continued)

growth company" as defined in the Jumpstart Our Business Startups Act of 2012, as amended (the "JOBS Act"), and has elected not to "opt out" of the extended transition related to complying with new or revised accounting standards, which means that when a standard is issued or revised and it has different application dates for public and nonpublic companies, the Company will adopt the new or revised standard at the time nonpublic companies adopt the new or revised standard and will do so until such time that the Company either (i) irrevocably elects to "opt out" of such extended transition period or (ii) no longer qualifies as an emerging growth company. The Company may choose to early adopt any new or revised accounting standards whenever such early adoption is permitted for nonpublic companies.

Recently Adopted Accounting Pronouncements

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which is intended to simplify the accounting for income taxes. This standard removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing standards to improve consistent application. The Company adopted this standard on January 1, 2022. The adoption of this standard did not have a material impact on its consolidated financial statements at the adoption date.

In August 2020, the FASB issued ASU No. 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. The amendments in the ASU simplifies the accounting for convertible debt instruments and convertible preferred stock by removing the existing guidance that requires entities to account for beneficial conversion features and cash conversion features in equity, separately from the host convertible debt or preferred stock. In addition, the amendments revise the scope exception from derivative accounting in ASC 815-40 for freestanding financial instruments and embedded features that are both indexed to the issuer's own stock and classified in stockholders' equity, by removing certain criteria required for equity classification. The amendments further revise the guidance in ASC 260, *Earnings Per Share*, to require entities to calculate diluted earnings per share for convertible instruments by using the if-converted method. In addition, entities must presume share settlement for purposes of calculating diluted earnings per share when an instrument may be settled in cash or shares. The Company adopted this standard on January 1, 2022. The adoption of this standard did not have a material impact on its consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments-Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments*, as clarified in subsequent amendments. ASU 2016-13 changes the impairment model for certain financial instruments. The new model is a forward-looking expected loss model and will apply to financial assets subject to credit losses and measured at amortized cost and certain off-balance sheet credit exposures. This includes loans, held-to-maturity debt securities, loan commitments, financial guarantees and net investments in leases, as well as trade receivables. For available-for-sale debt securities with unrealized losses, credit losses will be measured in a manner similar to today, except that the losses will be recognized as allowances rather than reductions in the amortized cost of the securities. Topic 326 is effective for the Company for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted. The Company adopted this standard on January 1, 2022. The adoption of this standard did not have a material impact on its consolidated financial statements at the adoption date.

Recently Issued and not Yet Adopted Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. This ASU requires public entities to disclose information about their

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies and Basis of Presentation (Continued)

Recent Accounting Pronouncements (Continued)

reportable segments' significant expenses and other segment items on an interim and annual basis. Public entities with a single reportable segment are required to apply the disclosure requirements in ASU 2023-07, as well as all existing segment disclosures and reconciliation requirements in ASC 280 on an interim and annual basis. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2023-07 on its consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires the disclosure of specific categories in the rate reconciliation and greater disaggregation for income taxes paid. This standard is effective for annual periods beginning after December 15, 2024 and should be adopted prospectively with the option to be adopted retrospectively. The Company is currently evaluating the impact of this standard on its disclosure on its consolidated financial statements.

3. Fair Value Measurements

The Company discloses and recognizes the fair value of its assets and liabilities using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The guidance establishes three levels of the fair value hierarchy as follows:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and consider factors specific to the asset or liability. The Company recognizes transfers into and out of levels within the fair value hierarchy in the period in which the actual event or change in circumstances that caused the transfer occurs.

The Company's financial instruments consist of Level 1, Level 2 and Level 3 financial instruments. Changes in the ability to observe valuation inputs may result in a reclassification of levels of certain securities within the fair value hierarchy.

Level 1 financial instruments are comprised of money market funds and U.S. treasuries. Level 2 financial instruments are comprised of commercial paper, U.S. treasuries, corporate bonds, supranational debt securities and agency bonds. Level 3 financial instruments include a derivative liability issued in May 2023 and settled in October 2023 in connection with the closing of the second tranche of the Series B-2 and B-2A redeemable convertible preferred stock financing.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Fair Value Measurements (Continued)

The following tables represent the Company's fair value hierarchy for financial assets measured at fair value on a recurring basis as of December 31, 2022 and 2023 (in thousands):

	Fair Value Measurements as of December 31, 2022			
(in thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents				
Money market funds	$19,546	$ —	$ —	$19,546
Marketable securities				
Commercial paper	—	31,271	—	31,271
U.S. treasuries	19,255	—	—	19,255
Corporate bonds	—	10,795	—	10,795
Supranational debt securities	—	3,976	—	3,976
Agency bonds	—	1,958	—	1,958
Total	$38,801	$48,000	$ —	$86,801

	Fair Value Measurements as of December 31, 2023			
(in thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents				
Money market funds	$21,310	$ —	$ —	$21,310
U.S. treasuries	2,000	—	—	2,000
Marketable securities				
U.S. treasuries	1,958	998	—	2,956
Total	$25,268	$998	$ —	$26,266

The derivative liability is a freestanding financial instrument and represents the Company's obligation to issue additional shares of Series B-2 and B-2A redeemable convertible preferred stock at a fixed price upon the approval by the board of directors. The derivative liability's fair value was estimated using a Black-Scholes option pricing model adjusted for the probability of occurring. Significant estimates and assumptions impacting fair value include the estimated time and probability of closing of the second tranche financing, preferred stock fair value and estimated stock volatility.

The following table provides roll-forward of the fair value of the Company's Level 3 financial instruments, the derivative liability, for the year ended December 31, 2023 (in thousands):

Balance as of January 1, 2023	$ —
Fair value upon issuance	2,112
Changes in fair value	119
Fair value upon settlement (see Note 9)	(2,231)
Balance as of December 31, 2023	$ —

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Fair Value Measurements (Continued)

The following table provides a range of assumptions used in the valuation of the derivative liability for the year ended December 31, 2023:

Expected term (in years)	0.01 – 0.41
Volatility	43.19% – 83.25%
Risk-free interest rate	5.23% – 5.55%
Dividend yield	0%
Probability of event occurring	30% – 100%

There were no transfers between Level 1, Level 2 or Level 3 categories for the years ended December 31, 2022 and 2023.

4. Marketable Securities

Marketable securities, which are classified as available-for-sale, consisted of the following as of December 31, 2022 and 2023 (in thousands):

	Amortized Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value as of December 31, 2022
Short-term marketable securities:				
Commercial paper	$31,271	$—	$ —	$31,271
U.S. treasuries	19,309	—	(54)	19,255
Corporate bonds	10,841	—	(46)	10,795
Supranational debt securities	4,005	—	(29)	3,976
Agency bonds	1,956	2	—	1,958
Total short-term marketable securities	$67,382	$ 2	$(129)	$67,255

	Amortized Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value as of December 31, 2023
Short-term marketable securities:				
U.S. treasuries	$2,954	$2	$ —	$2,956
Total short-term marketable securities	$2,954	$2	$ —	$2,956

All marketable securities held as of December 31, 2022 and 2023 had contractual maturities of less than one year.

As of December 31, 2022 and 2023, no significant facts or circumstances were present to indicate a deterioration in the creditworthiness of the issuers of the marketable securities, and the Company has no requirement or intention to sell these securities before maturity or recovery of their amortized cost basis. The Company considered the current and expected future economic and market conditions and determined that its investments were not significantly impacted. For all securities with a fair value less than its amortized cost basis, the Company determined the decline in fair value below amortized cost basis to be immaterial and non-credit related, and therefore no allowance for losses has been recorded. For the years ended December 31, 2022 and 2023, the Company did not recognize any impairment losses on its investments.

As of December 31, 2022 and 2023, accrued interest receivable was $0.1 million and $0, which is recorded in the marketable securities in the consolidated balance sheets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Balance Sheet Components

Property and Equipment, net

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

	Estimated Useful Life (in years)	December 31, 2022	December 31, 2023
Laboratory equipment	5	$1,899	$ 3,577
Computer equipment	5	371	896
Furniture and fixtures	5	143	1,709
Leasehold improvements	Shorter of useful life or lease term	31	17,592
Capitalized software	3	15	75
Construction in progress		578	—
Total property and equipment, gross		3,037	23,849
Less: Accumulated depreciation and amortization		(257)	(1,408)
Total property and equipment, net		$2,780	$22,441

Depreciation and amortization expense was $0.3 million and $1.3 million for the years ended December 31, 2022 and 2023, respectively.

Other Prepaid Expenses and Current Assets

Other prepaid expenses and current assets consist of the following (in thousands):

	December 31, 2022	December 31, 2023
Tax receivable	$ 500	$ 614
Prepaid subscriptions	296	703
Other prepaid expenses	502	314
Total other prepaid expenses and current assets	$1,298	$1,631

Other Accrued Expenses and Current Liabilities

Other accrued expenses and current liabilities consist of the following (in thousands):

	December 31, 2022	December 31, 2023
Accrued personnel and related expenses	$3,576	$5,585
Accrued professional services	455	1,093
Accrued other expenses	512	409
Total other accrued expenses and current liabilities	$4,543	$7,087

6. Related Party Transactions

Foresite Labs Services Agreement

Foresite Labs, LLC ("Foresite Labs") is an affiliate of Foresite Capital Management, a stockholder of the Company. In January 2021, the Company entered into a services agreement with Foresite Labs, which was amended and restated in August 2021 and in December 2023, and expires in December 2026, unless terminated earlier by the parties. Thereafter, on each anniversary of the effective date, the agreement will automatically

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Related Party Transactions (Continued)

Foresite Labs Services Agreement (Continued)

renew for an additional one year term, unless terminated earlier by the parties. Foresite Labs provides services to assist the Company in exploring specified immunology genetic targets and general and administrative services. For the years ended December 31, 2022 and 2023, the Company recognized $1.6 million and $1.5 million as research and development expenses under the service agreement, respectively. General and administrative expenses under the service agreement were immaterial. Accrued expenses under the service agreement were $0 and less than $0.1 million as of December 31, 2022 and 2023, respectively.

7. FronThera Acquisition

On March 5, 2021, the closing date, the Company entered into a stock purchase agreement to acquire FronThera U.S. Holdings, Inc. and its wholly owned subsidiary, FronThera U.S. Pharmaceuticals LLC (the "FronThera Acquisition"). For accounting purposes, the transaction was accounted for as an asset acquisition in accordance with ASC 805, *Business Combinations*, and ASC 350, *Intangibles — Goodwill and Other*, after considering whether substantially all of the fair value of the gross assets acquired was concentrated in a single asset or group of assets.

The purchase consideration included $60.0 million of cash paid at the closing date. The Company is also obligated to pay contingent consideration of up to an aggregate $120.0 million based on the achievement of specified clinical and approval milestones, including up to an aggregate of $70.0 million payable for clinical milestones, and for up to an aggregate of $50.0 million payable for approval milestones, all related to technology acquired under the agreement. The contingent milestones will be recorded when probable to be achieved.

The in-process research and development asset related solely to acquired ESK-001 and related know-how and intellectual property. The Company concluded that the acquired asset does not have an alternative future use and recognized the full amount as research and development expenses in the consolidated statement of operations and comprehensive loss in March 2021.

The Company incurred and paid a milestone of $37.0 million in 2022 for the first administration of ESK-001 to a patient enrolled in a Phase 2 clinical trial of ESK-001, which was recorded as research and development expense in the consolidated statement of operations and comprehensive loss for the year ended December 31, 2022. As of December 31, 2022 and 2023, there are no remaining milestones probable and payable.

8. Commitments and Contingent Liabilities

Operating Leases

In 2021, the Company entered into a lease agreement for 14,000 square feet of office space in South San Francisco, California, which commenced in August 2021 and had a contractual termination date of September 2024. In September 2023, the Company abandoned this right-of-use asset as it had moved to its new office space described below; the Company recognized a loss on this abandonment in the amount of $0.6 million.

In January 2022, the Company entered into a lease agreement for 12,000 square feet of office and laboratory space in South San Francisco, California, that commenced in July 2022 and had a contractual termination date of July 2029. This lease contained an early termination option, allowing the Company to terminate this lease before the expiry of the lease term. The Company concluded the lease term for accounting purposes ended in August 2023. In April 2023, this lease was modified to reduce the contractual lease term to terminate in October 2023. The accounting impact of the modification was not material.

In August 2022, the Company entered into a lease agreement for 55,000 square feet of additional office and laboratory space in South San Francisco, California, which commenced in January 2023 and has a contractual

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Commitments and Contingent Liabilities (Continued)

Operating Leases (Continued)

termination date in August 2033. The Company constructed leasehold improvements in the space, which were concluded to be lessee assets. The lessor provided the Company a tenant improvement allowance of $17.2 million, of which $0.5 million and $16.7 million was received and was accounted for as a reduction to lease payments for the years ended December 31, 2022 and 2023, respectively. At the commencement date, future lease payments totaled $37.9 million, including $54.6 million in gross fixed payments less $16.7 million in lease incentives expected to be received during the first year of the lease. The lease liability at lease commencement was calculated to be $14.1 million, which is equal to the present value of the future lease payments, discounted at the incremental borrowing rate of 11.4%. Following the commencement date, the Company measured its lease liability and right-of-use asset in accordance with ASC 842-20-35-3. In accordance with this guidance, future lease payments increased as the $16.7 million incentive was received and future gross fixed payments were no longer offset by these incentives. The Company recorded the leasehold improvements in property and equipment, net in the consolidated balance sheet as of December 31, 2022 and 2023. The lease agreement also includes a renewal option allowing the Company to extend this lease for an additional three years at the prevailing rental rate, which the Company was not reasonably certain to exercise.

The Company maintains letters of credit on these leases in the amount of $1.3 million and $1.1 million at December 31, 2022 and 2023, respectively. The lease letters of credit are reflected on the Company's consolidated balance sheets in restricted cash, current and restricted cash, noncurrent as of December 31, 2022 and 2023.

The components of lease costs were as follows (in thousands):

	Year Ended December 31, 2022	Year Ended December 31, 2023
Operating lease costs	$1,074	$4,747
Variable lease costs	121	545
Total lease costs	$1,195	$5,292

Supplemental cash flow information related to the operating leases were as follows (in thousands):

	Year Ended December 31, 2022	Year Ended December 31, 2023
Cash payments included in the measurement of operating lease liabilities	$1,111	$2,903

Weighted-average remaining lease term and incremental borrowing rate for the operating leases were as follows:

	December 31, 2022	December 31, 2023
Weighted-average remaining lease term (years)	1.4	9.5
Weighted-average incremental borrowing rate	6.7%	11.4%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Commitments and Contingent Liabilities (Continued)

Operating Leases (Continued)

Future minimum lease payments under non-cancelable leases as of December 31, 2023 were as detailed below (in thousands):

2024	$ 5,269
2025	4,962
2026	5,128
2027	5,299
2028	5,477
2029 and thereafter	27,526
Total undiscounted lease payments	53,661
Less: Imputed interest	(21,081)
Total operating lease liabilities	$ 32,580

FronThera Contingent Consideration

The Company is obligated to pay milestones contingent on the achievement of specified clinical, regulatory and commercialization milestones under the Fronthera Acquisition (Note 7). No remaining milestones were achieved or probable as of December 31, 2022 and 2023.

Research and Development Agreements

The Company enters into various agreements in the ordinary course of business, such as those with suppliers, CROs, CMOs and clinical trial sites. These agreements provide for termination at the request of either party, generally with less than one-year notice and are, therefore, cancellable contracts and, if cancelled, are not anticipated to have a material effect on the Company's financial condition, results of operations, or cash flows.

Legal Contingencies

From time to time, the Company may become involved in legal proceedings arising from the ordinary course of business. The Company records a liability for such matters when it is probable that future losses will be incurred and that such losses can be reasonably estimated. Significant judgment by the Company is required to determine both probability and the estimated amount. Management is currently not aware of any legal matters that could have a material adverse effect on the Company's financial position, results of operations or cash flows.

Guarantees and Indemnifications

In the normal course of business, the Company enters into agreements that contain a variety of representations and provide for general indemnification. Its exposure under these agreements is unknown because it involves claims that may be made against the Company in the future. To the extent permitted under Delaware law, the Company has agreed to indemnify its directors and officers for certain events or occurrences while the director or officer is, or was serving, at a request in such capacity. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. As of December 31, 2022 and 2023, the Company did not have any material indemnification claims that were probable or reasonably possible and consequently has not recorded related liabilities.

9. Redeemable Convertible Preferred Stock

In January 2022, the Company issued and sold an aggregate of 20,000,000 shares of Series B redeemable convertible preferred stock at a price of $5.00 per share for gross cash proceeds of $100.0 million and incurred $0.1 million of issuance costs.

9. Redeemable Convertible Preferred Stock (Continued)

In May 2023, the Company issued and sold an aggregate of 10,722,340 shares of Series B-2 redeemable convertible preferred stock for gross cash proceeds of $53.6 million and 1,277,660 shares of Series B-2A redeemable convertible preferred stock for gross proceeds of $6.4 million and incurred $0.2 million of issuance costs. The purchase price for Series B-2 and B-2A redeemable convertible preferred stock was $5.00 per share. The Series B-2 and Series B-2A stock purchase agreement contains an obligation to issue additional shares of Series B-2 or Series B-2A redeemable convertible preferred stock in a second tranche closing by October 2023 (Second Tranche Closing) upon the occurrence of certain events, including the board of directors' consent. The Company recognized this call option as a derivative liability and estimated its fair value of $2.1 million.

In July 2023, the holders of the shares of Series B-2A redeemable convertible preferred stock elected to convert its 1,277,660 shares into the same number of Series B-2 redeemable convertible preferred stock.

In October 2023, the Company closed the Second Tranche Closing and issued an additional 4,221,170 shares of Series B-2 redeemable convertible preferred stock and 1,778,830 shares of Series B-2A redeemable convertible preferred stock at a price of $5.00 per share and received gross proceeds of $21.1 million and $8.9 million, respectively. Accordingly, the derivative liability was settled, and the Company reclassified the derivative liability, remeasured at fair value of $2.2 million, into redeemable convertible preferred stock. The Company incurred less than $0.1 million of issuance costs in connection with the Second Tranche Closing.

The Series Seed and Series A redeemable convertible preferred stock are collectively referred to as the "Junior Redeemable Convertible Preferred Stock". The Series B, Series B-1, Series B-2 and Series B-2A redeemable convertible preferred stock are collectively referred to as the "Senior Redeemable Convertible Preferred Stock".

The Company's redeemable convertible preferred stock as of each period, consisted of the following:

	December 31, 2022			
	Shares Authorized	Shares Issued and Outstanding	Aggregate Liquidation Preference	Net Carrying Value
	(in thousands, except share amounts)			
Seed redeemable convertible preferred stock	10,500,000	10,500,000	$ 10,500	$ 10,480
A redeemable convertible preferred stock	7,500,000	7,500,000	30,000	29,972
B redeemable convertible preferred stock	40,200,000	40,200,000	201,000	200,711
B-1 redeemable convertible preferred stock	9,760,088	9,760,088	39,040	44,310
Total redeemable convertible preferred stock	67,960,088	67,960,088	$280,540	$285,473

	December 31, 2023			
	Shares Authorized	Shares Issued and Outstanding	Aggregate Liquidation Preference	Net Carrying Value
	(in thousands, except share amounts)			
Seed redeemable convertible preferred stock	10,500,000	10,500,000	$ 10,500	$ 10,480
A redeemable convertible preferred stock	7,500,000	7,500,000	30,000	29,972
B redeemable convertible preferred stock	40,200,000	40,200,000	201,000	200,711
B-1 redeemable convertible preferred stock	9,760,088	9,760,088	39,040	44,310
B-2 redeemable convertible preferred stock	18,000,000	16,221,170	81,106	80,969
B-2A redeemable convertible preferred stock	3,056,490	1,778,830	8,894	8,928
Total redeemable convertible preferred stock	89,016,578	85,960,088	$370,540	$375,370

The significant rights and obligations of the Company's redeemable convertible preferred stock are as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Redeemable Convertible Preferred Stock (Continued)

Liquidation Preference

In the event of the liquidation, dissolution or winding up of the Company, or a deemed liquidation event, including a merger or consolidation, or a sale or other disposition of all or substantially all of the Company's assets, the holders of shares of the Senior Redeemable Convertible Preferred Stock are entitled to receive, before any payments are made to the holders of the Junior Redeemable Convertible Preferred Stock and holders of common stock, an amount per share equal to the greater of (i) the Series B, Series B-1, Series B-2 and Series B-2A original issuance price of $5.00, $4.00, $5.00, and $5.00 respectively, plus any dividends declared but unpaid, or (ii) such amount per share as would have been payable had all shares of the applicable series of Senior Redeemable Convertible Preferred Stock been converted into common stock immediately prior to such liquidation, dissolution, winding up or deemed liquidation. If the proceeds are insufficient to pay the holders of shares of Senior Redeemable Convertible Preferred Stock their full liquidation preference, then the proceeds available for distribution are payable ratably among the holders of the Senior Redeemable Convertible Preferred Stock in proportion to the full preferential amount that each such holder is entitled to receive.

After the distributions to the holders of the Senior Redeemable Convertible Preferred Stock have been paid in full, the holder of shares of Junior Redeemable Convertible Preferred Stock shall be entitled to receive, prior to and in preference to any distributions of the assets of the Company to the holders of common stock, an amount equal to the greater of (i) the Series Seed and Series A original issuance price of $1.00 and $4.00, respectively, plus any dividends declared but unpaid, or (ii) such amount per share as would have been payable had all shares of such series of Junior Redeemable Convertible Preferred Stock been converted into common stock immediately prior to such liquidation, dissolution, winding up or deemed liquidation. If the proceeds are insufficient to pay the holder of share of Junior Redeemable Convertible Preferred Stock their full liquidation preference, then the proceeds available for distribution are payable ratably among the holders of the Junior Redeemable Convertible Preferred Stock in proportion to the full preferential amount that each such holder is entitled to receive.

After the distributions described above have been paid in full, the remaining assets of the Company available for distribution to its stockholders will be distributed among the holders of shares of common stock, pro rata based on the number of shares held by each such holder.

Conversion

Each share of Series B-2 redeemable convertible preferred stock is convertible at the option of a holder into one share of Series B-2A redeemable convertible preferred stock.

Each share of Series B-2A redeemable convertible preferred stock is convertible at the option of a holder into one share of Series B-2 redeemable convertible preferred stock.

Each share of redeemable convertible preferred stock is convertible at the option of a holder into shares of Class A common stock or Class B common stock at a conversion rate, which is the redeemable convertible preferred stock original issuance price per share divided by the conversion price in effect at the time of conversion. The conversion price is initially equal to the redeemable convertible preferred stock original issuance price, and is subject to adjustments for recapitalization, dilutive issuances, stock dividends, stock splits, and other distributions. As of December 31, 2022 and 2023, the conversion rate was one-for-one.

All outstanding shares of redeemable convertible preferred stock are automatically converted into shares of Class A common stock, provided that, a holder of shares of redeemable convertible preferred stock may elect, upon written notice to the Company at least seven days prior to a qualified public offering, to have all or a portion of its shares of redeemable convertible preferred stock automatically convert into shares of Class B common stock at the then effective conversion rate, upon the earlier of: (i) the closing of the sale of shares of common stock to the public, in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least $75.0 million of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Redeemable Convertible Preferred Stock (Continued)

Conversion (Continued)

proceeds to the Company, net of underwriting discounts and commissions, or (ii) upon a vote or a written consent of the holders of a majority of outstanding shares of redeemable convertible preferred stock, voting together as a single class and on an as-converted basis.

Dividend Rights

The Company cannot declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Company (other than dividends on shares of common stock payable in shares of common stock), unless the holders of the redeemable convertible preferred stock then outstanding will first receive, or simultaneously receive, a dividend on each outstanding share of redeemable convertible preferred stock in an amount at least equal to (i) in the case of a dividend on common stock or any class or series that is convertible into common stock, the product of (a) the dividend payable on each share of such series determined as if all shares of such series had been converted into common stock and (b) the number of shares of common stock issuable upon conversion of a share of redeemable convertible preferred stock, calculated on the record date for determination of holders entitled to receive such dividend or (ii) in the case of a dividend on any class or series that is not convertible into common stock, at a rate per share of redeemable convertible preferred stock determined by (a) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (b) multiplying such fraction by an amount equal to the applicable original issue price. No dividends were declared and paid or payable for the years ended December 31, 2022 and 2023.

Voting Rights

Each holder of outstanding shares of redeemable convertible preferred stock is entitled to cast the number of votes equal to the number of whole shares of common stock into which the shares of redeemable convertible preferred stock held by such holder are convertible. Holders of redeemable convertible preferred stock vote together with the holders of common stock as a single class and on an as-converted to common stock basis. Holders of Series B-2A redeemable convertible preferred stock have no voting rights for election of directors or for the size of the board.

Election of Directors

At any time when at least 1,875,000 shares of Series A redeemable convertible preferred stock are outstanding, the holders of the shares of Series A redeemable convertible preferred stock, voting as a separate class on an as-converted to common stock basis, are entitled to elect one director of the Company.

At any time when at least 10,050,000 shares of the voting Senior Redeemable Convertible Preferred Stock are outstanding, the holders of the shares of the voting Senior Redeemable Convertible Preferred Stock, voting as a separate class on an as-converted to common stock basis, are entitled to elect two directors of the Company.

The holders of the shares of common stock, voting as a separate class, are entitled to elect one director of the Company.

The holders of common stock and redeemable convertible preferred stock, voting together as a single class on an as-converted basis, are entitled to elect all remaining members of the board of directors, if any.

Redemption

The redeemable convertible preferred stock is recorded in mezzanine equity because while it is not mandatorily redeemable, it will become redeemable at the option of the preferred stockholders upon the occurrence of certain deemed liquidation events that are considered not solely within the Company's control.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Common Stock

As of December 31, 2023, the Company was authorized to issue 125,000,000 shares of Class A common stock and 85,960,088 shares of Class B common stock, both with par values of $0.0001 per share (Class A common stock and Class B common stock, collectively referred to as "common stock"). As of December 31, 2022 and 2023, there were no shares of Class B common stock outstanding.

The rights, powers and preferences of the holders of the Class A common stock and Class B common stock are subject to and qualified by the rights, powers and preferences of the holders of the redeemable convertible preferred stock. The holders of Class A and Class B common stock have the same rights except that Class B common stock do not have voting rights, except as may be required by law. Each holder of Class B common stock has a right to convert each share of Class B common stock to one share of Class A common stock. The Company cannot issue shares of Class B common stock other than upon conversion of redeemable convertible preferred stock. At any time following the Company's registration of any class of equity securities under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the holders of shares of Class B common stock may not convert a number of shares of Class B common stock into shares of Class A common stock in excess of that number of shares of Class B common stock which would cause the holder thereof to beneficially own (for purposes of Section 13(d) of the Exchange Act), in excess of 4.99% of the total number of issued and outstanding shares of Class A common stock (including shares of Class A common stock issuable upon conversion of the redeemable convertible preferred stock). Such maximum percentage may be increased or decreased to such other percentage as any holder of outstanding shares of Class B common stock may designate in writing upon 61 days' prior written notice.

Common stock reserved for issuance, on an as-converted basis, consisted of the following as of December 31, 2022 and 2023:

	December 31, 2022	December 31, 2023
Redeemable convertible preferred stock issued and outstanding	67,960,088	85,960,088
Outstanding and issued common stock options	19,179,979	23,825,003
Shares available for grant under 2021 Stock Plan	187,029	1,384,688
Total	87,327,096	111,169,779

Common Stock Issued to Executives

In February 2021, the Company issued 470,000 shares of common stock to two executives at a purchase price of $0.20 per share. The shares vest over a four-year period with a one-year cliff. The holders have voting and dividends rights. The Company has a right to repurchase unvested shares at the price paid by the holder in the event of termination of the holder's continuous status as a service provider. The Company estimated the fair value of the restricted stock awards based on the fair value of common stock at the grant dates. The expense is recognized ratably over the vesting terms. The Company recognized $0.1 million for each of the years ended December 31, 2022 and 2023.

The following table summarizes the activity for the Company's restricted common stock for the years ended December 31, 2022 and 2023:

	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested as of December 31, 2022	254,584	$0.62
Vested	(117,500)	$0.62
Unvested as of December 31, 2023	137,084	$0.62

As of December 31, 2023, the remaining unamortized stock-based compensation expense of $0.1 million will be recognized over the remaining vesting period 1.1 years.

11. Stock-Based Compensation

2021 Stock Plan

In February 2021, the Company adopted the 2021 Stock Plan (the "2021 Plan"), which provides for stock awards to eligible employees, directors and consultants of the Company. Awards issuable under the 2021 Plan include incentive stock options ("ISO"), non-statutory stock options ("NSO"), restricted stock units ("RSU") and stock grants.

The exercise price of ISOs shall not be less than the estimated fair value of the underlying common stock on the date of grant. The exercise price of ISOs granted to an employee who owns more than 10% of the voting power of all classes of stock of the Company shall be no less than 110% of the estimated fair market value of the underlying common stock on the grant date. Stock option grants under the 2021 Plan generally vest over four years. The contractual term of an option is no longer than five years for ISOs for which an employee owns greater than 10% of the voting power of all classes of stock and no longer than ten years for all other options. As of December 31, 2023, the Company was authorized to grant 30,450,029 shares, and 1,384,688 shares were available for issuance under the 2021 Plan.

The terms of the 2021 Plan permit option holders to exercise options before their options are vested. The shares of common stock granted upon early exercise that have not yet vested are subject to repurchase by the Company in the event of termination of the holder's continuous status as a service provider, at the price paid by the holder.

Stock Option Activity

The following table summarizes the Company's option activity for the years ended December 31, 2022 and 2023. The table includes early exercised shares as part of options exercised.

	Options	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2022	19,179,979	$1.85	9.20	$ 4,933
Options granted	5,313,134	$2.85		
Options exercised	(226,484)	$2.00		$ 224
Options forfeited or expired	(441,626)	$2.03		
Outstanding and expected to vest as of December 31, 2023	23,825,003	$2.07	8.50	$15,033
Exercisable as of December 31, 2023	23,825,003	$2.07	8.50	$15,033

The intrinsic value of options exercised during the year ended December 31, 2022 was $0.1 million. The weighted-average grant date fair value was $1.47 and $2.34 per option for the years ended December 2022 and 2023, respectively. The total fair value of shares vested for the years ended December 31, 2022 and 2023 was $2.3 million and $8.1 million, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Stock-Based Compensation (Continued)

Stock Option Valuation

The fair value of stock options granted for the years ended December 31, 2022 and 2023 was estimated using the Black-Scholes option pricing model with the following assumptions:

	Year Ended December 31, 2022	Year Ended December 31, 2023
Expected term (in years)	5.57 – 6.68	5.77 – 6.63
Volatility	82.45% – 86.66%	97.65% – 102.54%
Risk-free interest rate	1.71% – 4.10%	3.66% – 4.77%
Dividend yield	0%	0%

Expected Term

The expected term represents the weighted-average period the stock options are expected to remain outstanding and is based on the options' vesting terms and contractual terms, as the Company did not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior.

Expected Volatility

The expected stock price volatility assumption was determined by examining the historical volatilities for industry peers, as the Company did not have any trading history for the Company's common stock. The Company will continue to analyze the historical stock price volatility and expected term assumption as more historical data for the Company's common stock becomes available.

Risk-Free Interest Rate

The risk-free interest rate assumption is based on the U.S. Treasury instruments whose term was consistent with the expected term of the Company's stock options.

Dividends

The Company has not paid any cash dividends on common stock and does not anticipate paying any dividends in the foreseeable future. Consequently, an expected dividend yield of zero was used.

Common Stock Fair Value

The fair market value of the Company's common stock is determined by the board of directors with assistance from management and external valuation experts. The approach to estimating the fair market value of common stock is consistent with the methods outlined in the Practice Aid.

Prior to May 2023, the Company utilized an Option Pricing Method ("OPM") based analysis, primarily the OPM backsolve methodology, to determine the estimated fair value of the common stock. Within the OPM framework, the backsolve method, for inferring the total equity value implied by a recent financing transaction or by an estimated equity value of the Company's pipeline product candidates, involves the construction of an allocation model that takes into account the Company's capital structure and the rights, preferences and privileges of each class of stock, then assumes reasonable inputs for the other OPM variables (expected time

11. Stock-Based Compensation (Continued)

Stock Option Valuation (Continued)

to liquidity, volatility, and risk-free rate). The total equity value is then iterated in the model until the model output value for the equity class sold in a recent financing round equals the price paid in that round. The OPM is generally utilized when specific future liquidity events are difficult to forecast (i.e., the enterprise has many choices and options available), and the enterprise's value depends on how well it follows an uncharted path through the various possible opportunities and challenges. In determining the estimated fair value of the common stock, the board of directors also considered the fact that the stockholders could not freely trade the common stock in the public markets. Accordingly, the Company applied discounts to reflect the lack of marketability of its common stock based on the weighted-average expected time to liquidity. The estimated fair value of the common stock at each grant date reflected a non-marketability discount partially based on the anticipated likelihood and timing of a future liquidity event.

For valuations performed on and after May 2023, the Company utilized a hybrid method that combines the Probability-Weighted Expected Return Method ("PWERM"), an accepted valuation method described in the Practice Aid, and the OPM. The Company determined this was the most appropriate method for determining the fair value of its common stock based on the stage of development and other relevant factors. The PWERM is a scenario-based analysis that estimates the value per share of common stock based on the probability-weighted present value of expected future equity values for the common stock, under various possible future liquidity event scenarios, considering the rights and preferences of each class of shares, discounted for a lack of marketability. Under the hybrid method, an option pricing model was utilized to determine the fair value of the Company's common stock in certain of the PWERM scenarios (capturing situations where its development path and future liquidity events were difficult to forecast), potential exit events were explicitly modeled in the other PWERM scenarios. A discount for lack of marketability was applied to the value derived under each scenario to account for a lack of access to an active public market to estimate the common stock fair value. The assumptions underlying these valuations represented management's best estimates, which involved inherent uncertainties and the application of management's judgment. As a result, if the Company had used significantly different assumptions or estimates, the fair value of the common stock and the stock-based compensation expense could have been materially different.

The Company also considers the amount of time between the independent third-party valuation dates and the grant dates and performs an interpolation of the fair value between the two valuation dates to estimate common stock fair value at each grant date. This determination includes an evaluation of whether the subsequent valuation indicated that any significant change in valuation had occurred between the previous valuation and the grant date.

Early Exercise of Employee Options

Proceeds from the early exercise of stock options are recorded as share repurchase liability, and as shares vest are recognized to additional paid-in capital in the consolidated balance sheets. As of December 31, 2022 and 2023, there was $3.5 million and $1.8 million share repurchase liability related to the unvested shares, respectively. The following table summarizes the activity for the Company's early exercisable shares for the years ended December 31, 2022 and 2023:

	Number of Shares	Weighted-Average Exercise Price Per Share
Unvested as of December 31, 2022	3,103,939	$1.15
Early exercised	86,370	$2.03
Vested	(1,591,923)	$1.21
Repurchased	(69,167)	$0.93
Unvested as of December 31, 2023	1,529,219	$1.14

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Stock-Based Compensation (Continued)

Stock-Based Compensation Expense

The following table summarizes the stock-based compensation expense granted to employees and non-employees for the years ended December 31, 2022 and 2023 (in thousands):

	Year Ended December 31, 2022	Year Ended December 31, 2023
Research and development	$3,119	$4,745
General and administrative	2,841	3,880
Total stock-based compensation expense	$5,960	$8,625

The following table summarizes the stock-based compensation expense related to the following equity-based awards (in thousands):

	Year Ended December 31, 2022	Year Ended December 31, 2023
Stock options	$5,888	$8,553
Restricted stock awards	72	72
Total stock-based compensation expense	$5,960	$8,625

Stock-based compensation expense related to non-employee awards was immaterial for all periods presented. As of December 31, 2023, there was unrecognized stock-based compensation expense of $29.6 million related to unvested stock options which the Company expects to recognize over a weighted-average period of 3.14 years.

12. Net Loss Per Share Attributable to Class A Common Stockholders

The following table sets forth the computation of the basic and diluted net loss per share attributable to Class A common stockholders for the years ended December 31, 2022 and 2023 (in thousands, except share and per share amounts):

	Year Ended December 31, 2022	Year Ended December 31, 2023
Numerator:		
Net loss	$ (111,930)	$ (154,993)
Denominator:		
Weighted average Class A common shares outstanding	11,537,145	12,384,372
Less: Weighted-average Class A common shares subject to repurchase	(4,039,523)	(2,332,174)
Weighted-average Class A common shares outstanding, basic and diluted	7,497,622	10,052,198
Net loss per share attributable to Class A common stockholders, basic and diluted	$ (14.93)	$ (15.42)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. Net Loss Per Share Attributable to Class A Common Stockholders (Continued)

The following outstanding potentially dilutive securities were excluded from the computation of diluted net loss per share attributable to Class A common stockholders for the periods presented, because including them would have been anti-dilutive (on an as-converted basis):

	December 31, 2022	December 31, 2023
Redeemable convertible preferred stock issued and outstanding	67,960,088	85,960,088
Common stock options issued and outstanding	19,179,979	23,825,003
Unvested restricted common stock and early exercised stock options	3,358,523	1,666,303
Total	90,498,590	111,451,394

13. Income Taxes

No provision for income taxes was recorded for the years ended December 31, 2022 and 2023, as the Company operated with taxable losses. The Company has incurred net operating losses only in the United States since inception.

The differences between the effective income tax rate and the U.S. federal statutory income tax rate for the years ended December 31, 2022 and 2023 were as follows (in thousands):

	Year Ended December 31, 2022	Year Ended December 31, 2023
Amount at statutory tax rates	$(23,505)	$(32,548)
Permanent differences	7,770	7
Valuation allowance	16,113	34,961
Stock-based compensation	829	892
Federal research and development credit	(1,207)	(3,322)
Other	—	10
Total	$ —	$ —

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Income Taxes (Continued)

Significant components of the deferred tax asset balances as of December 31, 2022 and 2023 were as follows (in thousands):

	December 31, 2022	December 31, 2023
Deferred tax assets:		
Net operating losses	$ 6,404	$ 10,519
Tax credits	2,509	6,243
Research and development capitalization	16,617	39,059
Accruals and reserves	331	15
Stock-based compensation	423	1,361
Operating lease liabilities	373	6,842
Other capitalized expenses	303	4,567
Gross deferred tax assets	26,960	68,606
Valuation allowance	(26,023)	(61,404)
Deferred tax assets, net of valuation allowance	$ 937	$ 7,202
Deferred tax liabilities:		
Fixed assets	(581)	(1,025)
Operating lease right-of-use assets	(356)	(6,177)
Deferred tax liabilities	(937)	(7,202)
Total net deferred tax assets	$ —	$ —

A valuation allowance is required to be established when it is more likely than not that all or a portion of a deferred tax asset will not be realized. Realization of deferred tax assets is dependent upon future earnings, the timing and amount of which are uncertain. The Company believes that, based on a number of factors such as the history of operating losses, it is more likely than not that the deferred tax assets will not be fully realized, such that a full valuation allowance has been recorded. The valuation allowance increased by $15.7 million and by $35.4 million for the years ended December 31, 2022 and 2023, respectively, primarily due to the net operating losses carryforwards and research and development credits.

The following table sets forth the Company's federal and state net operating loss carryforwards and tax credits as of December 31, 2023 (dollars in thousands):

	Amount	Begin to Expire
Net operating losses, Federal	$32,120	Do not expire
Net operating losses, Federal	$16,520	2037
Net operating losses, States	$ 4,378	2041
Tax credits, Federal	$ 7,902	2039
Tax credits, States	$ 3,110	2037

Utilization of some of the federal and state net operating loss and credit carryforwards may be subject to annual limitations due to the change in ownership provisions of the Internal Revenue Code of 1986, as amended ("Internal Revenue Code"), and similar state provisions. The annual limitation may result in the expiration of net operating losses and credits before utilization. As of December 31, 2023, the Company has not completed an I.R.C. section 382 study to determine if a limitation exists. As the Company has recorded a full valuation allowance, any potential limitation is not expected to have a material impact to the consolidated financial statements.

13. Income Taxes (Continued)

Uncertain Tax Positions

A reconciliation of the beginning and ending balances of the unrecognized tax benefits for the years ended December 31, 2022 and 2023, is as follows (in thousands):

	Year Ended December 31, 2022	Year Ended December 31, 2023
Beginning balance	$ 104	$ 2,451
Increases in tax positions in the current period	2,347	3,572
Decreases related to prior year's tax position	—	(1,907)
Ending balance	$2,451	$ 4,116

The entire amount of the unrecognized tax benefits would not impact the Company's effective tax rate if recognized. The Company has elected to include interest and penalties as a component of other income (expense), net. For the years ended December 31, 2022 and 2023, the Company did not recognize accrued interest and penalties related to unrecognized tax benefits. The Company does not anticipate that the amount of existing unrecognized tax benefits will significantly increase or decrease during the next 12 months.

As of December 31, 2023, the Company is not under audit by the Internal Revenue Service or any state authority for income taxes for any open years. Due to the Company's net operating loss carryforwards, the Company's domestic income tax returns are open to examination by the Internal Revenue Service beginning with tax year 2017 and by state taxing authorities beginning with tax year 2021.

14. Employee Benefit Plans

The Company sponsors a qualified 401(k) defined contribution plan covering eligible employees. Participants may contribute a portion of their annual compensation limited to a maximum annual amount set by the Internal Revenue Service. There were no employer contributions under this plan for the years ended December 31, 2022 and 2023.

15. Subsequent Events

The Company has evaluated subsequent events for financial statement purposes occurring through April 10, 2024, the date when these consolidated financial statements were available to be issued. No subsequent events have been identified for disclosure to or adjustment in the consolidated financial statements, other than the matters noted below.

From January 2024 through March 2024, the Company granted stock options for the purchase of an aggregate of 2,431,929 shares of common stock, with an exercise price of $1.89 per share to employees under the 2021 Plan. These options have vesting terms of four years with one-year cliff vesting.

In March 2024, the Company's board of directors approved the repricing of all outstanding options as of March 29, 2024, which have an exercise price exceeding $1.89 per share. The exercise price of outstanding options with a weighted average exercise price of $2.19 for 21,521,882 common stock shares was reduced to the estimated common stock fair value of $1.89 per share at the date of the repricing.

In March 2024, the Company amended its certification of incorporation to increase the authorized number of shares of the Company. Under the new amended and restated certificate of incorporation, the Company is authorized to issue 225,000,000 shares of Class A common stock, 168,489,897 shares of Class B common stock and 202,643,727 shares of redeemable convertible preferred stock consisting of 10,500,000 shares of Series Seed redeemable convertible preferred stock, 7,500,000 shares of Series A redeemable convertible preferred stock, 40,200,000 shares of Series B redeemable convertible preferred stock, 9,760,088 shares of Series B-1 redeemable convertible preferred stock, 18,000,000 shares of Series B-2 redeemable convertible

15. Subsequent Events (Continued)

preferred stock, 1,778,830 shares of Series B-2A redeemable convertible preferred stock, 82,529,809 shares of Series C redeemable convertible preferred stock and 32,375,000 shares of Series C-1 redeemable convertible preferred stock.

In March 2024, the Company entered into a Series C preferred stock purchase agreement and received $129.5 million gross cash proceeds from the issuance of 41,264,891 shares at a purchase price of $3.13826 per share in the First Tranche Series C Closing. Any time prior to the earliest of (i) December 31, 2024, (ii) the execution of a letter of intent for the sale of the Company, or (iii) the closing date of the Company's initial public offering, at the discretion of the Company's board of directors, the Company is obligated to sell and each Series C purchaser is obligated to purchase additional shares of Series C redeemable convertible preferred stock with the amount equal to the purchaser's aggregate purchase price in the First Tranche Series C Closing less any previous payments by the purchaser as part of the Put Right (as defined below) exercise. If the purchaser does not purchase its full share in the Second Tranche Series C Closing, all of its existing shares of Series C redeemable convertible stock and Series C-1 redeemable convertible preferred stock convert into common stock at a 10-to-1 basis. Additionally, a purchaser has a right to purchase shares of Series C-1 redeemable convertible preferred stock at a purchase price of $4.00 per share beginning from the earlier of (a) September 4, 2024 or (b) the date of a significant partnering or collaboration agreement and expiring upon the earlier of (a) December 31, 2024, (b) the public filing of a registration statement on Form S-1 for the initial public offering, (c) the Second Tranche Series C Closing and (d) the execution of a letter of intent for the sale of the Company (the "Put Right"). The Put Right can only be exercised once.

16. Events Subsequent to Original Issuance of Financial Statements (Unaudited)

In connection with the reissuance of the consolidated financial statements, the Company has evaluated subsequent events through June 7, 2024, the date the consolidated financial statements were available to be reissued.

In May 2024, the Company's board of directors adopted and the shareholders approved the 2024 Performance Option Plan (the "2024 POP"). The Company reserved 8,792,390 shares of common stock issuable under the 2024 POP. The 2024 POP permits grants of ISOs, NSOs and restricted stock awards to the Company's employees, directors and consultants.

In May 2024, the Company granted NSOs to employees to purchase 8,792,390 shares of common stock at an exercise price of $2.18 under the 2024 POP. Options generally vest on the date when both a performance condition and a service condition are satisfied for such shares. The performance condition is satisfied based on the Company meeting certain common stock public market price specified targets after the end of the lock-up period. The price target performance conditions are calculated based on the volume weighted average price per share over 30 consecutive trading dates, in accordance with the grant terms. Shares subject to the option that have not satisfied the performance condition within six years from the vesting commencement date will expire at the performance end date. The service condition includes monthly vesting over 36 months from the vesting commencement date and the employee's continuous service with the Company through each such monthly vesting date.

In May 2024, the Company received $129.5 million gross cash proceeds from the issuance of 41,264,892 shares of Series C redeemable convertible preferred stock at a purchase price of $3.13826 per share in the Second Tranche Series C Closing.

From April 2024 through June 2024, the Company granted stock options for the purchase of an aggregate of 5,968,650 shares of common stock, with an exercise price ranging from $2.18 – $2.85 per share to employees under the 2021 Plan. These options have vesting terms of four years with one-year cliff vesting.

CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited)

(in thousands, except share and per share amounts)	December 31, 2023	March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	$ 45,996	$ 112,071
Marketable securities	2,956	21,656
Restricted cash	113	113
Research and development prepaid expenses	2,661	5,610
Other prepaid expenses and current assets	1,631	1,796
Total current assets	53,357	141,246
Restricted cash, non-current	1,024	1,024
Property and equipment, net	22,441	22,091
Operating lease right-of-use assets, net	12,783	12,772
Other long-term assets	7	242
Total assets	$ 89,612	$ 177,375
Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Deficit		
Current liabilities		
Accounts payable	$ 1,118	$ 6,841
Research and development accrued expenses	10,946	11,175
Other accrued expenses and current liabilities	7,087	4,354
Operating lease liabilities, current	1,720	1,618
Total current liabilities	20,871	23,988
Operating lease liabilities, non-current	30,860	30,458
Derivative liability	—	12,008
Share repurchase liability	1,771	1,272
Total liabilities	53,502	67,726
Commitments and contingencies (Note 7)		
Redeemable convertible preferred stock, $0.0001 par value; 89,016,578 and 202,643,727 shares authorized as of December 31, 2023 and March 31, 2024, respectively; 85,960,088 and 127,224,979 shares issued and outstanding as of December 31, 2023 and March 31, 2024, respectively; aggregate liquidation preference of $370,540 and $500,040 as of December 31, 2023 and March 31, 2024, respectively	375,370	495,575
Stockholders' deficit:		
Common stock, $0.0001 par value; 125,000,000 and 225,000,000 Class A shares authorized as of December 31, 2023 and March 31, 2024, respectively; 12,510,338 and 12,525,233 Class A shares issued and outstanding as of December 31, 2023 and March 31, 2024, respectively; 85,960,088 and 168,489,897 Class B shares authorized as of December 31, 2023 and March 31, 2024, respectively; no Class B shares issued and outstanding as of December 31, 2023 and March 31, 2024	1	1
Additional paid-in capital	25,055	28,241
Accumulated other comprehensive income (loss)	2	(1)
Accumulated deficit	(364,318)	(414,167)
Total stockholders' deficit	(339,260)	(385,926)
Total liabilities, redeemable convertible preferred stock and stockholders' deficit	$ 89,612	$ 177,375

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

ALUMIS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(unaudited)

(in thousands, except share and per share amounts)	Three months ended March 31, 2023	2024
Operating expenses:		
Research and development expenses, including related party expenses of $325 and $421 for the three months ended March 31, 2023 and 2024, respectively	$ 32,435	$ 41,961
General and administrative expenses	4,225	5,632
Total operating expenses	36,660	47,593
Loss from operations	(36,660)	(47,593)
Other income (expense):		
Interest income	645	854
Change in fair value of derivative liability	—	(3,095)
Other income (expenses), net	(12)	(15)
Total other income (expense), net	633	(2,256)
Net loss	$ (36,027)	$ (49,849)
Other comprehensive income (loss):		
Unrealized gain (loss) on marketable securities, net	100	(3)
Net loss and other comprehensive loss	$ (35,927)	$ (49,852)
Net loss per share attributable to Class A common stockholders, basic and diluted	$ (3.86)	$ (4.50)
Weighted-average Class A common shares outstanding, basic and diluted	9,339,918	11,080,100

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

ALUMIS INC.
CONDENSED CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT

(unaudited)

(in thousands, except share amounts)	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance at December 31, 2022	**67,960,088**	**$285,473**	**12,353,021**	**$ 1**	**$14,209**	**$(127)**	**$(209,325)**	**$(195,242)**
Vesting of early exercised stock options	—	—	—	—	694	—	—	694
Vesting of restricted shares of common stock	—	—	—	—	5	—	—	5
Repurchase of unvested common stock shares issued upon early exercised stock options			(62,500)	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	1,831	—	—	1,831
Other comprehensive income, net	—	—	—	—	—	100	—	100
Net loss	—	—	—	—	—	—	(36,027)	(36,027)
Balance at March 31, 2023	**67,960,088**	**$285,473**	**12,290,521**	**$ 1**	**$16,739**	**$ (27)**	**$(245,352)**	**$(228,639)**

(in thousands, except share amounts)	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance at December 31, 2023	**85,960,088**	**$375,370**	**12,510,338**	**$ 1**	**$25,055**	**$ 2**	**$(364,318)**	**$(339,260)**
Issuance of Series C redeemable convertible preferred stock in March 2024 for cash, net of derivative liability of $8,913 and issuance costs of $382	41,264,891	120,205	—	—	—	—	—	—
Issuance of common stock upon exercise of stock options and early exercise of stock options	—	—	14,895	—	29	—	—	29
Vesting of early exercised stock options	—	—	—	—	494	—	—	494
Vesting of restricted shares of common stock	—	—	—	—	6	—	—	6
Stock-based compensation expense	—	—	—	—	2,657	—	—	2,657
Other comprehensive loss, net	—	—	—	—	—	(3)	—	(3)
Net loss	—	—	—	—	—	—	(49,849)	(49,849)
Balance at March 31, 2024	**127,224,979**	**$495,575**	**12,525,233**	**$ 1**	**$28,241**	**$ (1)**	**$(414,167)**	**$(385,926)**

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

ALUMIS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

(in thousands)	Three months ended March 31, 2023	2024
Cash flows from operating activities		
Net loss	$(36,027)	$ (49,849)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	1,831	2,657
Non-cash lease expense	847	11
Depreciation and amortization	120	758
Net accretion of discounts on marketable securities	(349)	(48)
Change in fair value of derivative liability	—	3,095
Changes in operating assets and liabilities:		
Research and development prepaid expenses	(792)	(2,949)
Other prepaid expenses and other assets	203	(165)
Accounts payable	63	5,715
Research and development accrued expenses	1,268	229
Other accrued expenses and current liabilities	(1,831)	(3,212)
Operating lease liabilities	(1)	(504)
Net cash used in operating activities	(34,668)	(44,262)
Cash flows from investing activities		
Maturities of marketable securities	36,250	1,000
Purchases of marketable securities	(4,890)	(19,655)
Purchases of property and equipment	(295)	(155)
Net cash provided by (used in) investing activities	31,065	(18,810)
Cash flows from financing activities		
Proceeds from issuance of redeemable convertible preferred stock and derivative liability, net of issuance costs	—	129,118
Proceeds from issuance of common stock upon exercise of stock options	—	29
Repurchase of unvested common stock shares issued upon early exercised stock options	(51)	—
Net cash (used in) provided by financing activities	(51)	129,147
Net (decrease) increase in cash, cash equivalents and restricted cash	(3,654)	66,075
Cash, cash equivalents and restricted cash at beginning of period	26,954	47,133
Cash, cash equivalents and restricted cash at end of period	$ 23,300	$113,208
Supplemental disclosures:		
Right-of-use assets obtained in exchange for operating lease liabilities	$ 14,124	$ —
Property and equipment acquired through tenant improvement allowance	$ 4,148	$ —
Vesting of early exercised stock options and unvested restricted shares of common stock	$ 699	$ 500
Purchases of property and equipment in other accrued expenses and current liabilities	$ 26	$ 301
Recognition of derivative liability upon issuance of redeemable convertible preferred stock	$ —	$ 8,913
Deferred offering costs in accounts payable and other accrued expenses and current liabilities	$ —	$ 235
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	$ 21,955	$112,071
Restricted cash	206	113
Restricted cash, non-current	1,139	1,024
Total cash, cash equivalents and restricted cash	$ 23,300	$113,208

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

ALUMIS INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

1. Organization and Nature of the Business

Organization and Business

Alumis Inc. (the "Company") is a clinical stage biopharmaceutical company focused on identifying, acquiring, and accelerating the development and commercialization of transformative medicines for autoimmune disorders. The Company leverages its proprietary precision data analytics platform, biological insights, and a team of experts with deep experience in precision medicine drug discovery, development, and immunology, to create medicines that significantly improve the lives of patients by replacing broad immunosuppression with targeted therapies.

The Company was founded on January 29, 2021 as a Delaware corporation under the name FL2021-001, Inc. FL2021-001, Inc.'s name was changed to Esker Therapeutics, Inc. on March 8, 2021 and to Alumis Inc. on January 6, 2022. The Company is headquartered in South San Francisco, California.

The Company has two wholly owned subsidiaries, FronThera U.S. Holdings, Inc. and FronThera U.S. Pharmaceuticals LLC. These subsidiaries do not have any operations.

Liquidity and Going Concern

The Company has incurred negative operating cash flows and significant losses from operations since its inception. For the three months ended March 31, 2023 and 2024, the Company incurred net losses of $36.0 million and $49.8 million, respectively. Cash used in operating activities was $34.7 million and $44.3 million for the three months ended March 31, 2023 and 2024, respectively. As of March 31, 2024, the Company had an accumulated deficit of $414.2 million.

The Company has historically financed its operations primarily through issuance of redeemable convertible preferred stock and convertible promissory notes in private placements. The Company expects to continue to incur substantial losses for the foreseeable future, and its ability to achieve and sustain profitability will depend on the successful development, approval, and commercialization of any product candidates it may develop, and on the achievement of sufficient revenue to support its cost structure. The Company may never achieve profitability and, unless and until it does, it will need to continue to raise additional capital. As of March 31, 2024, the Company had cash, cash equivalents and marketable securities of $133.7 million. In connection with the Series C redeemable convertible preferred stock financing closed in March 2024, at the discretion of the Company's board of directors, the Company is obligated to sell and Series C investors are obligated to purchase up to $129.5 million worth of additional shares of Series C redeemable convertible preferred stock on the same terms and at the same purchase price per share as in the first tranche Series C closing on or before the earliest of (i) December 31, 2024, (ii) the execution of a letter of intent for the sale of the Company, or (iii) the closing date of the Company's initial public offering (the "Second Tranche Series C Closing"). The Second Tranche Series C Closing is subject to certain conditions and events as described in Note 8, Redeemable Convertible Preferred Stock.

Management expects that existing cash, cash equivalents and marketable securities are not sufficient to fund its current operating plan for at least the next 12 months from the date of issuance of these condensed consolidated financial statements. Additional funds are necessary to maintain current operations and to continue research and development activities. The Company's management plans to monitor expenses and may raise additional capital through a combination of public and private equity, debt financings, strategic alliances, and licensing arrangements. The Company's ability to access capital when needed is not assured and, if capital is not available to the Company when, and in the amounts, needed, on the terms which are favorable, the Company could be required to delay, scale back, or abandon some or all of its development programs and other operations, which could materially harm the Company's business, financial condition and results of operations. These factors raise substantial doubt about the Company's ability to continue as a going concern.

ALUMIS INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

1. Organization and Nature of the Business (Continued)

Liquidity and Going Concern (Continued)

The accompanying condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The accompanying condensed consolidated financial statements do not reflect any adjustments relating to the recoverability and reclassifications of assets and liabilities that might be necessary if the Company is unable to continue as a going concern.

2. Summary of Significant Accounting Policies and Basis of Presentation

Basis of Presentation

The condensed consolidated financial statements and accompanying notes are unaudited and have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and applicable rules and regulations of the Securities and Exchange Commission (the "SEC") regarding interim financial reporting.

The Company's condensed consolidated financial statements include the accounts of FronThera U.S. Holdings, Inc. and FronThera U.S. Pharmaceuticals LLC, two wholly owned subsidiaries, and all intercompany transactions are eliminated.

Unaudited Interim Financial Information

The condensed consolidated balance sheet as of December 31, 2023 was derived from the Company's audited consolidated financial statements. The accompanying unaudited interim condensed consolidated financial statements as of March 31, 2024 and for the three months ended March 31, 2023 and 2024, have been prepared by the Company, pursuant to the rules and regulations of the SEC for interim financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. However, the Company believes that the disclosures are adequate to make the information presented not misleading. Accordingly, these unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements as of and for the year ended December 31, 2023. In the opinion of management, all adjustments, consisting only of normal recurring adjustments necessary for a fair statement of the Company's condensed consolidated financial position as of March 31, 2024 and condensed consolidated results of operations, condensed consolidated statements of redeemable convertible preferred stock and stockholders' deficit and condensed consolidated cash flows for the three months ended March 31, 2023 and 2024 have been made. The results of operations for the three months ended March 31, 2024 are not necessarily indicative of the results of operations that may be expected for the year ending December 31, 2024.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. On an ongoing basis, the Company evaluates estimates and assumptions, including but not limited to those related to the fair value of its common and redeemable convertible preferred stock, the fair value of derivative liability, stock-based compensation expense, accruals for research and development expenses and the valuation of deferred tax assets. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from those estimates.

ALUMIS INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

2. Summary of Significant Accounting Policies and Basis of Presentation (Continued)

Segment and Geographical Information

The Company operates and manages its business as one reportable and operating segment, which is the business of developing medicines for autoimmune disorders. The chief executive officer, who is the chief operating decision maker, reviews financial information on an aggregate basis for purposes of allocating resources and evaluating financial performance. All of the Company's long-lived assets are located in the United States.

Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentration of credit risk consist primarily of cash, investments in marketable securities and restricted cash. The Company maintains bank deposits in federally insured financial institutions and these deposits exceed federally insured limits. To date, the Company has not experienced any losses on its deposits of cash and periodically evaluates the creditworthiness of its financial institutions.

The Company also invests in money market funds and U.S. treasuries, which are subject to certain credit risks. The Company mitigates the risks by investing in high-grade instruments, limiting its exposure to any one issuer and monitoring the ongoing creditworthiness of the financial institutions and issuers. The Company has not experienced any loss of principal on its financial instruments.

Risks and Uncertainties

The Company is subject to certain risks and uncertainties, including, but not limited to, changes in any of the following areas that the Company believes could have a material adverse effect on the future financial position or results of operations: the Company's ability to advance the development of its proprietary precision data analytics platform, timing and ability to advance its product candidates through preclinical and clinical development; costs and timelines associated with the manufacturing of clinical supplies; regulatory approval, market acceptance of, and reimbursement for, any product candidates the Company may develop; performance of third-party vendors; competition from pharmaceutical or other biotechnology companies with greater financial resources or expertise; protection of intellectual property; litigation or claims against the Company based on intellectual property or other factors; and its ability to attract and retain employees necessary to support its growth.

The Company's business and operations may be affected by worldwide economic conditions, which may continue to be impacted by global macroeconomic challenges, such as the effects of the ongoing military conflicts in Ukraine, Israel, and the Middle East, tensions in U.S.-China relations, uncertainty in the markets, including disruptions in the banking industry, the COVID-19 pandemic and inflationary trends. Fiscal year 2023 was marked by significant market uncertainty and increasing inflationary pressures. These market dynamics continue into 2024, and these and similar adverse market conditions may negatively impact the Company's business, financial position and results of operations.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies and adopted by the Company as of the specified effective date. The Company qualifies as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, as amended (the "JOBS Act"), and has elected not to "opt out" of the extended transition related to complying with new or revised accounting standards, which means that when a standard is issued or revised and it has different application dates for public and nonpublic companies, the Company will adopt the new or revised standard at the time nonpublic companies adopt the new or revised standard and will do so until such time that the Company either (i) irrevocably elects to "opt out" of such extended transition period or (ii) no longer qualifies as an

ALUMIS INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

2. Summary of Significant Accounting Policies and Basis of Presentation (Continued)

Recent Accounting Pronouncements (Continued)

emerging growth company. The Company may choose to early adopt any new or revised accounting standards whenever such early adoption is permitted for nonpublic companies.

Recently Issued and not Yet Adopted Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. This ASU requires public entities to disclose information about their reportable segments' significant expenses and other segment items on an interim and annual basis. Public entities with a single reportable segment are required to apply the disclosure requirements in ASU 2023-07, as well as all existing segment disclosures and reconciliation requirements in ASC 280 on an interim and annual basis. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2023-07 on its condensed consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires the disclosure of specific categories in the rate reconciliation and greater disaggregation for income taxes paid. This standard is effective for annual periods beginning after December 15, 2024 and should be adopted prospectively with the option to be adopted retrospectively. The Company is currently evaluating the impact of this standard on its disclosure in its condensed consolidated financial statements.

3. Fair Value Measurements

The Company discloses and recognizes the fair value of its assets and liabilities using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The guidance establishes three levels of the fair value hierarchy as follows:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and consider factors specific to the asset or liability. The Company recognizes transfers into and out of levels within the fair value hierarchy in the period in which the actual event or change in circumstances that caused the transfer occurs.

The Company's financial instruments consist of Level 1, Level 2 and Level 3 financial instruments. Changes in the ability to observe valuation inputs may result in a reclassification of levels of certain securities within the fair value hierarchy.

Level 1 financial instruments are comprised of money market funds and U.S. treasuries. Level 2 financial instruments are comprised of U.S. treasuries. Level 3 financial instruments include a derivative liability issued in March 2024 in connection with the closing of the initial tranche of the Series C redeemable convertible preferred stock financing.

ALUMIS INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(unaudited)

3. Fair Value Measurements (Continued)

The following tables represent the Company's fair value hierarchy for financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2023 and March 31, 2024 (in thousands):

	Fair Value Measurements as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents				
Money market funds	$21,310	$ —	$—	$21,310
U.S. treasuries	2,000	—	—	2,000
Marketable securities				
U.S. treasuries	1,958	998	—	2,956
Total assets	$25,268	$998	$—	$26,266

	Fair Value Measurements as of March 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents				
Money market funds	$ 56,750	$ —	$ —	$ 56,750
U.S. treasuries	54,591	—	—	54,591
Marketable securities				
U.S. treasuries	19,673	1,983	—	21,656
Total assets	$131,014	$1,983	$ —	$132,997
Liabilities:				
Derivative liability	$ —	$ —	$12,008	$ 12,008
Total liabilities	$ —	$ —	$12,008	$ 12,008

In connection with the Series C redeemable convertible preferred stock financing in March 2024, the Company issued to investors two freestanding financial instruments: the Series C second tranche option liability and the put right option liability (see Note 8 for details). The Company estimated their fair value using a Black-Scholes option pricing model weighted by the probability of each option exercise until the expiration date, December 31, 2024. Significant estimates and assumptions impacting the derivative liability fair value include the probability of each option exercise, preferred stock fair value, estimated stock volatility and the expected term. Significant increases (decreases) in any of those inputs in isolation may result in a significantly higher (lower) fair value measurement.

The following table provides a roll-forward of the fair value of the Company's Level 3 financial instrument, the derivative liability, for the three months ended March 31, 2024 (in thousands):

Balance as of January 1, 2024	$ —
Fair value upon issuance	8,913
Changes in fair value .	3,095
Balance as of March 31, 2024	$12,008

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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3. Fair Value Measurements (Continued)

The following table provides a range of assumptions used in the valuation of the derivative liability for the three months ended March 31, 2024:

Expected term (in years)	0.16 – 0.36
Volatility	55.1% – 59.9%
Risk-free interest rate.	5.4% – 5.5%
Dividend yield	0%
Probability of option exercise	10% – 90%

There were no transfers between Level 1, Level 2 or Level 3 categories for the three months ended March 31, 2023 and 2024.

4. Marketable Securities

Marketable securities, which are classified as available-for-sale marketable securities, consisted of the following as of December 31, 2023 and March 31, 2024 (in thousands):

	Amortized Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value as of December 31, 2023
Short-term marketable securities:				
U.S. treasuries	$2,954	$2	$ —	$2,956
Total short-term marketable securities	$2,954	$2	$ —	$2,956

	Amortized Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value as of March 31, 2024
Short-term marketable securities:				
U.S. treasuries	$21,657	$ —	$(1)	$21,656
Total short-term marketable securities	$21,657	$ —	$(1)	$21,656

All marketable securities held as of December 31, 2023 and March 31, 2024 had contractual maturities of less than one year.

As of December 31, 2023 and March 31, 2024, no significant facts or circumstances were present to indicate a deterioration in the creditworthiness of the issuers of the marketable securities, and the Company has no requirement or intention to sell these securities before maturity or recovery of their amortized cost basis. The Company considered the current and expected future economic and market conditions and determined that its investments were not significantly impacted. For all securities with a fair value less than its amortized cost basis, the Company determined the decline in fair value below amortized cost basis to be immaterial and non-credit related, and therefore no allowance for losses has been recorded. During the three months ended March 31, 2023 and 2024, the Company did not recognize any impairment losses on its investments.

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5. Balance Sheet Components

Other Prepaid Expenses and Current Assets

Other prepaid expenses and current assets consist of the following (in thousands):

	December 31, 2023	March 31, 2024
Prepaid subscriptions	$ 703	$ 798
Tax receivable	614	614
Other prepaid expenses	314	384
Total other prepaid expenses and current assets	$1,631	$1,796

Property and Equipment, net

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

	Estimated Useful Life (in years)	December 31, 2023	March 31, 2024
Leasehold improvements	Shorter of useful life or lease term	$17,592	$17,592
Laboratory equipment	5	3,577	3,985
Furniture and fixtures	5	1,709	1,709
Computer equipment	5	896	896
Capitalized software	3	75	75
Total property and equipment, gross		23,849	24,257
Less: Accumulated depreciation and amortization		(1,408)	(2,166)
Total property and equipment, net		$22,441	$22,091

Depreciation and amortization expense was $0.1 million and $0.8 million for the three months ended March 31, 2023 and 2024, respectively.

Other Accrued Expenses and Current Liabilities

Other accrued expenses and current liabilities consist of the following (in thousands):

	December 31, 2023	March 31, 2024
Accrued personnel and related expenses	$5,585	$1,645
Accrued professional services	1,093	1,907
Accrued other expenses	409	802
Total other accrued expenses and current liabilities	$7,087	$4,354

6. Related Party Transactions

Foresite Labs Services Agreement

Foresite Labs, LLC ("Foresite Labs") is an affiliate of Foresite Capital Management, a stockholder of the Company. In January 2021, the Company entered into a services agreement with Foresite Labs, which was amended and restated in August 2021 and in December 2023, and expires in December 2026, unless terminated earlier by the parties. Thereafter, on each anniversary of the effective date, the agreement will automatically renew for an additional one year term, unless terminated earlier by the parties. Foresite Labs provides services to assist the Company in exploring specified immunology genetic targets. For the three months ended March 31, 2023 and 2024, the Company recognized $0.3 million and $0.4 million as research and development expenses under the service agreement, respectively. Accrued expenses under the service agreement were less than $0.1 million as of December 31, 2023 and were zero as of March 31, 2024.

7. Commitments and Contingent Liabilities

Operating Leases

In 2021, the Company entered into a lease agreement for 14,000 square feet of office space in South San Francisco, California, which commenced in August 2021 and had a contractual termination date of September 2024. In September 2023, the Company abandoned this right-of-use asset as it had moved to its new office space described below; the Company recognized a loss on this abandonment in the amount of $0.6 million.

In January 2022, the Company entered into a lease agreement for 12,000 square feet of office and laboratory space in South San Francisco, California, that commenced in July 2022 and had a contractual termination date of July 2029. This lease contained an early termination option, allowing the Company to terminate this lease before the expiry of the lease term. The Company concluded the lease term for accounting purposes ended in August 2023. In April 2023, this lease was modified to reduce the contractual lease term to terminate in October 2023. The accounting impact of the modification was not material.

In August 2022, the Company entered into a lease agreement for 55,000 square feet of additional office and laboratory space in South San Francisco, California, which commenced in January 2023 and has a contractual termination date in August 2033. The Company constructed leasehold improvements in the space, which were concluded to be lessee assets. The lessor provided the Company a tenant improvement allowance of $17.2 million, of which $16.7 million and $0 was received and was accounted for as a reduction to lease payments for the year ended December 31, 2023 and March 31, 2024, respectively. At the commencement date, future lease payments totaled $37.9 million, including $54.6 million in gross fixed payments less $16.7 million in lease incentives expected to be received during the first year of the lease. The lease liability at lease commencement was calculated to be $14.1 million, which is equal to the present value of the future lease payments, discounted at the incremental borrowing rate of 11.4%. Following the commencement date, the Company measured its lease liability and right-of-use asset in accordance with ASC 842-20-35-3. In accordance with this guidance, future lease payments increased as the $16.7 million incentive was received and future gross fixed payments were no longer offset by these incentives. The Company recorded the leasehold improvements in property and equipment, net in the condensed consolidated balance sheets as of December 31, 2023 and March 31, 2024. The lease agreement also includes a renewal option allowing the Company to extend this lease for an additional three years at the prevailing rental rate, which the Company was not reasonably certain to exercise.

The Company maintains letters of credit on these leases in the amount of $1.1 million at December 31, 2023 and March 31, 2024. The lease letters of credit are reflected on the Company's condensed consolidated balance sheets in restricted cash, current and restricted cash, noncurrent as of December 31, 2023 and March 31, 2024.

ALUMIS INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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7. Commitments and Contingent Liabilities (Continued)

Operating Leases (Continued)

The components of lease costs were as follows (in thousands):

	Three months ended March 31,	
	2023	2024
Operating lease costs	$1,272	$ 876
Variable lease costs	46	330
Total lease costs	$1,318	$1,206

Supplemental cash flow information related to the operating leases were as follows (in thousands):

	Three months ended March 31,	
	2023	2024
Cash payments included in the measurement of operating lease liabilities	$426	$1,350

Weighted-average remaining lease term and incremental borrowing rate for the operating leases were as follows:

	December 31, 2023	March 31, 2024
Weighted-average remaining lease term (years)	9.5	9.3
Weighted-average incremental borrowing rate	11.4%	11.4%

Future minimum lease payments under non-cancelable leases as of March 31, 2024, were as detailed below (in thousands):

2024 (remainder of the year)	$ 3,919
2025	4,962
2026	5,128
2027	5,299
2028	5,477
Thereafter	27,526
Total undiscounted lease payments	52,311
Less: Imputed interest	(20,235)
Total operating lease liabilities	$ 32,076

FronThera Contingent Consideration

In March, 2021, the Company entered into a stock purchase agreement to acquire FronThera U.S. Holdings, Inc. and its wholly owned subsidiary, FronThera U.S. Pharmaceuticals LLC., and the transaction was accounted for as an asset acquisition. Under the stock purchase agreement, the Company is obligated to pay contingent consideration of up to an aggregate of $120.0 million based on the achievement of specified clinical and approval milestones, for up to an aggregate of $70.0 million payable for clinical milestones, and for up to an aggregate of $50.0 million payable for approval milestones, all related to technology acquired under the agreement. The Company incurred and paid a $37.0 million milestone in 2022 for the first administration of

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7. Commitments and Contingent Liabilities (Continued)

FronThera Contingent Consideration (Continued)

ESK-001 to a patient enrolled in a Phase 2 clinical trial of ESK-001, which was recorded as research and development expense in the consolidated statement of operations and comprehensive loss for the year ended December 31, 2022. The Company will be obligated to pay a $23.0 million milestone payment in connection with the first administration of ESK-001 to a patient enrolled in a Phase 3 clinical trial of ESK-001. No remaining milestones were achieved or probable as of December 31, 2023 and March 31, 2024.

Research and Development Agreements

The Company enters into various agreements in the ordinary course of business, such as those with suppliers, CROs, CMOs and clinical trial sites. These agreements provide for termination at the request of either party, generally with less than one-year notice and are, therefore, cancellable contracts and, if cancelled, are not anticipated to have a material effect on the Company's condensed consolidated financial condition, results of operations, or cash flows.

Legal Contingencies

From time to time, the Company may become involved in legal proceedings arising from the ordinary course of business. The Company records a liability for such matters when it is probable that future losses will be incurred and that such losses can be reasonably estimated. Significant judgment by the Company is required to determine both probability and the estimated amount. Management is currently not aware of any legal matters that could have a material adverse effect on the Company's financial position, results of operations or cash flows.

Guarantees and Indemnifications

In the normal course of business, the Company enters into agreements that contain a variety of representations and provide for general indemnification. Its exposure under these agreements is unknown because it involves claims that may be made against the Company in the future. To the extent permitted under Delaware law, the Company has agreed to indemnify its directors and officers for certain events or occurrences while the director or officer is, or was serving, at a request in such capacity. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. As of December 31, 2023 and March 31, 2024, the Company did not have any material indemnification claims that were probable or reasonably possible and consequently has not recorded related liabilities.

8. Redeemable Convertible Preferred Stock

In March 2024, the Company issued and sold an aggregate of 41,264,891 shares of Series C redeemable convertible preferred stock for gross cash proceeds of $129.5 million and incurred $0.4 million of issuance costs. The purchase price for Series C redeemable convertible preferred stock was $3.13826 per share. Under the Series C stock purchase agreement, any time prior to the earliest of (i) December 31, 2024, (ii) the execution of a letter of intent for the sale of the Company, or (iii) the closing date of the Company's initial public offering, at the discretion of the Company's board of directors, the Company is obligated to sell and each Series C purchaser is obligated to purchase additional shares of Series C redeemable convertible preferred stock with the amount equal to the purchaser's aggregate purchase price in the first tranche Series C closing less any previous payments by the purchaser as part of the Put Right (as defined below) exercise. If the purchaser does not purchase its full share in the Second Tranche Series C Closing, all of its existing shares of Series C redeemable convertible stock and Series C-1 redeemable convertible preferred stock convert into common stock at a 10-to-1 basis. Additionally, a purchaser has a right to purchase shares of Series C-1 redeemable convertible preferred stock at a purchase price of $4.00 per share beginning from the earlier of

ALUMIS INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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8. Redeemable Convertible Preferred Stock (Continued)

(a) September 4, 2024 or (b) the date of a significant partnering or collaboration agreement and expiring upon the earlier of (a) December 31, 2024, (b) the public filing of a registration statement on Form S-1 for the initial public offering, (c) the Second Tranche Series C Closing and (d) the execution of a letter of intent for the sale of the Company (the "Put Right"). The Put Right can only be exercised once. The Company determined that the Second Tranche Series C Closing and the Put Right are two freestanding financial instruments and estimated their fair value of $8.9 million at the issuance date.

The Series Seed and Series A redeemable convertible preferred stock are collectively referred to as the "Junior Redeemable Convertible Preferred Stock". The Series B, Series B-1, Series B-2, Series B-2A, Series C and Series C-1 redeemable convertible preferred stock are collectively referred to as the "Senior Redeemable Convertible Preferred Stock".

The Company's redeemable convertible preferred stock as of each period, consisted of the following:

	December 31, 2023			
	Shares Authorized	Shares Issued and Outstanding	Aggregate Liquidation Preference	Net Carrying Value
	(in thousands, except share amounts)			
Seed redeemable convertible preferred stock	10,500,000	10,500,000	$ 10,500	$ 10,480
A redeemable convertible preferred stock	7,500,000	7,500,000	30,000	29,972
B redeemable convertible preferred stock	40,200,000	40,200,000	201,000	200,711
B-1 redeemable convertible preferred stock	9,760,088	9,760,088	39,040	44,310
B-2 redeemable convertible preferred stock	18,000,000	16,221,170	81,106	80,969
B-2A redeemable convertible preferred stock	3,056,490	1,778,830	8,894	8,928
Total redeemable convertible preferred stock	89,016,578	85,960,088	$370,540	$375,370

	March 31, 2024			
	Shares Authorized	Shares Issued and Outstanding	Aggregate Liquidation Preference	Net Carrying Value
	(in thousands, except share amounts)			
Seed redeemable convertible preferred stock	10,500,000	10,500,000	$ 10,500	$ 10,480
A redeemable convertible preferred stock	7,500,000	7,500,000	30,000	29,972
B redeemable convertible preferred stock	40,200,000	40,200,000	201,000	200,711
B-1 redeemable convertible preferred stock	9,760,088	9,760,088	39,040	44,310
B-2 redeemable convertible preferred stock	18,000,000	16,221,170	81,106	80,969
B-2A redeemable convertible preferred stock	1,778,830	1,778,830	8,894	8,928
C redeemable convertible preferred stock	82,529,809	41,264,891	129,500	120,205
C-1 redeemable convertible preferred stock	32,375,000	—	—	—
Total redeemable convertible preferred stock	202,643,727	127,224,979	$500,040	$495,575

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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8. Redeemable Convertible Preferred Stock (Continued)

The significant rights and obligations of the Company's redeemable convertible preferred stock are as follows:

Liquidation Preference

In the event of the liquidation, dissolution or winding up of the Company, or a deemed liquidation event, including a merger or consolidation, or a sale or other disposition of all or substantially all of the Company's assets, the holders of shares of the Senior Redeemable Convertible Preferred Stock are entitled to receive, before any payments are made to the holders of the Junior Redeemable Convertible Preferred Stock and holders of common stock, an amount per share equal to the greater of (i) the Series B, Series B-1, Series B-2, Series B-2A, Series C and Series C-1 original issuance price of $5.00, $4.00, $5.00, $5.00, $3.13826 and $4.00, respectively, plus any dividends declared but unpaid, or (ii) such amount per share as would have been payable had all shares of the applicable series of Senior Redeemable Convertible Preferred Stock been converted into common stock immediately prior to such liquidation, dissolution, winding up or deemed liquidation. If the proceeds are insufficient to pay the holders of shares of Senior Redeemable Convertible Preferred Stock their full liquidation preference, then the proceeds available for distribution are payable ratably among the holders of the Senior Redeemable Convertible Preferred Stock in proportion to the full preferential amount that each such holder is entitled to receive.

After the distributions to the holders of the Senior Redeemable Convertible Preferred Stock have been paid in full, the holder of shares of Junior Redeemable Convertible Preferred Stock will be entitled to receive, prior to and in preference to any distributions of the assets of the Company to the holders of common stock, an amount equal to the greater of (i) the Series Seed and Series A original issuance price of $1.00 and $4.00, respectively, plus any dividends declared but unpaid, or (ii) such amount per share as would have been payable had all shares of such series of Junior Redeemable Convertible Preferred Stock been converted into common stock immediately prior to such liquidation, dissolution, winding up or deemed liquidation. If the proceeds are insufficient to pay the holder of share of Junior Redeemable Convertible Preferred Stock their full liquidation preference, then the proceeds available for distribution are payable ratably among the holders of the Junior Redeemable Convertible Preferred Stock in proportion to the full preferential amount that each such holder is entitled to receive.

After the distributions described above have been paid in full, the remaining assets of the Company available for distribution to its stockholders will be distributed among the holders of shares of common stock, pro rata based on the number of shares held by each such holder.

Conversion

Each share of Series B-2 redeemable convertible preferred stock is convertible at the option of a holder into one share of Series B-2A redeemable convertible preferred stock.

Each share of Series B-2A redeemable convertible preferred stock is convertible at the option of a holder into one share of Series B-2 redeemable convertible preferred stock.

Each share of redeemable convertible preferred stock is convertible at the option of a holder into shares of Class A common stock or Class B common stock at a conversion rate, which is the redeemable convertible preferred stock original issuance price per share divided by the conversion price in effect at the time of conversion. No shares of Series C and Series C-1 redeemable convertible preferred stock may be converted into shares of common stock at any time during the period commencing on March 4, 2024 and ending on the first to occur of (i) the Second Tranche Series C Closing, (ii) the day after December 31, 2024, (iii) a termination event as specified in the Series C stock purchase agreement and (iv) such other time as determined by the board of directors in its good faith judgment. The conversion price is initially equal to the redeemable convertible preferred stock original issuance price, and is subject to adjustments for recapitalization, dilutive issuances, stock dividends, stock splits, and other distributions. No adjustment in the conversion price of any

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8. Redeemable Convertible Preferred Stock (Continued)

Conversion (Continued)

series of redeemable convertible preferred stock will be made as the result of the issuance or deemed issuance of additional shares of common stock if the Company receives written notice from a majority of the then outstanding shares of such series of redeemable convertible preferred stock agreeing that no such adjustment will be made as the result of the issuance or deemed issuance of such additional shares of common stock. As of December 31, 2023 and March 31, 2024, the conversion rate was one-for-one.

All outstanding shares of redeemable convertible preferred stock are automatically converted into shares of Class A common stock, provided that, a holder of shares of redeemable convertible preferred stock may elect, upon written notice to the Company at least seven days prior to a qualified public offering, to have all or a portion of its shares of redeemable convertible preferred stock automatically convert into shares of Class B common stock at the then effective conversion rate, upon the earlier of: (i) the closing of the sale of shares of common stock to the public at a price of at least $3.76591, in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least $75.0 million of proceeds to the Company, net of underwriting discount and commissions, and in connection with such offering the common stock is listed for trading on the Nasdaq Stock Market's National Market, the New York Stock Exchange or another exchange or marketplace approved by the board of directors, or (ii) the date and time, or the occurrence of an event, specified by a vote or a written consent of (a) the holders of a majority of outstanding shares of redeemable convertible preferred stock, voting together as a single class and on an as-converted basis, and (b) the holders of a majority of Series C and Series C-1 redeemable convertible preferred stock, voting together as a single class and on an as-converted basis.

Dividend Rights

The Company cannot declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Company (other than dividends on shares of common stock payable in shares of common stock), unless the holders of the redeemable convertible preferred stock then outstanding will first receive, or simultaneously receive, a dividend on each outstanding share of redeemable convertible preferred stock in an amount at least equal to (i) in the case of a dividend on common stock or any class or series that is convertible into common stock, the product of (a) the dividend payable on each share of such series determined as if all shares of such series had been converted into common stock and (b) the number of shares of common stock issuable upon conversion of a share of redeemable convertible preferred stock, calculated on the record date for determination of holders entitled to receive such dividend or (ii) in the case of a dividend on any class or series that is not convertible into common stock, at a rate per share of redeemable convertible preferred stock determined by (a) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (b) multiplying such fraction by an amount equal to the applicable original issue price. If the Company declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Company, the dividend payable to the holders of redeemable convertible preferred stock will be calculated based upon the dividend on the class or series of capital stock that would result in the highest redeemable convertible preferred stock dividend. No dividends were declared and paid or payable for the year ended December 31, 2023 and for the three months ended March 31, 2024.

Voting Rights

Each holder of outstanding shares of redeemable convertible preferred stock is entitled to cast the number of votes equal to the number of whole shares of common stock into which the shares of redeemable convertible preferred stock held by such holder are convertible. Holders of redeemable convertible preferred stock vote together with the holders of common stock as a single class and on an as-converted to common stock basis.

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8. Redeemable Convertible Preferred Stock (Continued)

Voting Rights (Continued)

Holders of Series B-2A redeemable convertible preferred stock have no voting rights for election of directors or for the size of the board.

Election of Directors

At any time when at least 1,875,000 shares of Series A redeemable convertible preferred stock are outstanding, the holders of the shares of Series A redeemable convertible preferred stock, voting as a separate class on an as-converted to common stock basis, are entitled to elect one director of the Company.

At any time when at least 10,050,000 shares of Series B, Series B-1 and Series B-2 redeemable convertible preferred stock are outstanding, the holders of the shares of Series B, Series B-1 and Series B-2 redeemable convertible preferred stock, voting as a separate class on an as-converted to common stock basis, are entitled to elect two directors of the Company.

At any time when at least 10,316,222 shares of Series C and Series C-1 redeemable convertible preferred stock are outstanding, the holders of the shares of Series C and Series C-1 redeemable convertible preferred stock, voting as a separate class on an as-converted to common stock basis, are entitled to elect two directors of the Company.

The holders of the shares of common stock, voting as a separate class, are entitled to elect one director of the Company.

The holders of common stock and voting redeemable convertible preferred stock, voting together as a single class on an as-converted basis, are entitled to elect all remaining members of the board of directors, if any.

Redemption

The redeemable convertible preferred stock is recorded in mezzanine equity because while it is not mandatorily redeemable, it will become redeemable at the option of the preferred stockholders upon the occurrence of certain deemed liquidation events that are considered not solely within the Company's control.

9. Common Stock

As of March 31, 2024, the Company was authorized to issue 225,000,000 shares of Class A common stock and 168,489,897 shares of Class B common stock, both with par values of $0.0001 per share (Class A common stock and Class B common stock, collectively referred to as "common stock"). As of December 31, 2023 and March 31, 2024, there were no shares of Class B common stock outstanding.

The rights, powers and preferences of the holders of the Class A common stock and Class B common stock are subject to and qualified by the rights, powers and preferences of the holders of the redeemable convertible preferred stock. The holders of Class A and Class B common stock have the same rights except that Class B common stock do not have voting rights, except as may be required by law. Each holder of Class B common stock has a right to convert each share of Class B common stock to one share of Class A common stock. The Company cannot issue shares of Class B common stock other than upon conversion of redeemable convertible preferred stock. At any time following the Company's registration of any class of equity securities under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the holders of shares of Class B common stock may not convert a number of shares of Class B common stock into shares of Class A common stock in excess of that number of shares of Class B common stock which would cause the holder thereof to beneficially own (for purposes of Section 13(d) of the Exchange Act), in excess of 4.99% of the total number of issued and outstanding shares of Class A common stock (including shares of Class A common stock issuable upon

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9. Common Stock (Continued)

conversion of the redeemable convertible preferred stock). Such maximum percentage may be increased or decreased to such other percentage as any holder of outstanding shares of Class B common stock may designate in writing upon 61 days' prior written notice.

Common stock reserved for issuance, on an as-converted basis, consisted of the following as of December 31, 2023 and March 31, 2024:

	December 31, 2023	March 31, 2024
Redeemable convertible preferred stock issued and outstanding	85,960,088	127,224,979
Outstanding and issued common stock options	23,825,003	26,019,851
Shares available for grant under 2021 Stock Plan	1,384,688	2,954,063
Total	111,169,779	156,198,893

Common Stock Issued to Executives

In February 2021, the Company issued 470,000 shares of common stock to two executives at a purchase price of $0.20 per share. The shares vest over a four-year period with a one-year cliff. The holders have voting and dividends rights. The Company has the right to repurchase unvested shares at the price paid by the holder in the event of termination of the holder's continuous status as a service provider. The Company estimated the fair value of the restricted stock awards based on the fair value of common stock at the grant dates. The expense is recognized ratably over the vesting terms. The Company recognized less than $0.1 million of stock-based compensation expense for the three months ended March 31, 2023 and 2024.

The following table summarizes the activity for the Company's restricted common stock for the three months ended March 31, 2024:

	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested as of December 31, 2023	137,084	$0.62
Vested	(29,375)	$0.62
Unvested as of March 31, 2024	107,709	$0.62

As of March 31, 2024, the remaining unamortized stock-based compensation expense of $0.1 million will be recognized over the remaining vesting period of 0.9 year.

10. Stock Compensation

2021 Stock Plan

In February 2021, the Company adopted the 2021 Stock Plan (the "2021 Plan"), which provides for stock awards to eligible employees, directors and consultants of the Company. Awards issuable under the 2021 Plan include incentive stock options ("ISO"), non-statutory stock options ("NSO"), restricted stock units ("RSU") and stock grants.

The exercise price of ISOs shall not be less than the estimated fair value of the underlying common stock on the date of grant. The exercise price of ISOs granted to an employee who owns more than 10% of the voting power of all classes of stock of the Company shall be no less than 110% of the estimated fair market value of

ALUMIS INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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10. Stock Compensation (Continued)

2021 Stock Plan (Continued)

the underlying common stock on the grant date. Stock option grants under the 2021 Plan generally vest over four years. The contractual term of an option is no longer than five years for ISOs for which an employee owns greater than 10% of the voting power of all classes of stock and no longer than ten years for all other options. As of March 31, 2024, the Company was authorized to grant 34,229,147 shares, and 2,954,063 shares were available for issuance under the 2021 Plan.

The terms of the 2021 Plan permit option holders to exercise options before their options are vested. The shares of common stock granted upon early exercise that have not yet vested are subject to repurchase by the Company in the event of termination of the holder's continuous status as a service provider, at the price paid by the holder.

Stock Option Repricing

In March 2024, the Company's board of directors approved the repricing of all outstanding options as of March 29, 2024, which have an exercise price exceeding $1.89 per share. The exercise price of outstanding options with a weighted average exercise price of $2.19 for 21,521,882 common stock shares was reduced to the estimated common stock fair value of $1.89 per share at the date of the repricing. The vesting terms and expiration dates remain unchanged from the original grant dates.

The stock option repricing was treated as an option modification for accounting purposes and resulted in total incremental expense of $0.7 million, of which $0.1 million incremental expense associated with the vested options was recognized on the modification date. The remaining $0.6 million incremental expense associated with the unvested options as of the modification date will be recognized over the remainder of the original requisite service period.

Stock Option Activity

The following table summarizes the Company's option activity for the three months ended March 31, 2024. The table includes early exercised shares as part of options exercised.

	Options	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2023	23,825,003	$2.07	8.50	$15,033
Options granted	2,431,929	$1.89		
Options exercised	(14,895)	$1.98		$ 9
Options forfeited or expired	(222,186)	$2.48		
Outstanding and expected to vest as of March 31, 2024	26,019,851	$1.80	8.40	$ 9,535
Exercisable as of March 31, 2024	26,019,851	$1.80	8.40	$ 9,535

No options were exercised during the three months ended March 31, 2023. The weighted-average grant date fair value of options granted was $1.83 and $1.80 for the three months ended March 31, 2023, and 2024, respectively. The total fair value of shares vested was $2.8 million and $4.5 million for the three months ended March 31, 2023, and 2024, respectively.

10. Stock Compensation (Continued)

Stock Option Valuation

The fair value of stock options granted for the three months ended March 31, 2023 and 2024 was estimated using the Black-Scholes option pricing model with the following assumptions:

	Three months ended March 31,	
	2023	2024
Expected term (in years)	6.03 – 6.07	6.08
Volatility	102.08% – 102.54%	104.61% – 104.63%
Risk-free interest rate	3.66% – 3.89%	4.20%
Dividend yield	0%	0%

Expected Term

The expected term represents the weighted-average period the stock options are expected to remain outstanding and is based on the options' vesting terms and contractual terms, as the Company did not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior.

Expected Volatility

The expected stock price volatility assumption was determined by examining the historical volatilities for industry peers, as the Company did not have any trading history for the Company's common stock. The Company will continue to analyze the historical stock price volatility and expected term assumption as more historical data for the Company's common stock becomes available.

Risk-Free Interest Rate

The risk-free interest rate assumption is based on the U.S. Treasury instruments whose term was consistent with the expected term of the Company's stock options.

Dividends

The Company has not paid any cash dividends on common stock since inception and does not anticipate paying any dividends in the foreseeable future. Consequently, an expected dividend yield of zero was used.

Common Stock Fair Value

The fair market value of the Company's common stock is determined by the board of directors with assistance from management and external valuation experts. The approach to estimating the fair market value of common stock is consistent with the methods outlined in the Practice Aid.

Prior to May 2023, the Company utilized an Option Pricing Method ("OPM") based analysis, primarily the OPM backsolve methodology, to determine the estimated fair value of the common stock. Within the OPM framework, the backsolve method, for inferring the total equity value implied by a recent financing transaction or by an estimated equity value of the Company's pipeline product candidates, involves the construction of an allocation model that takes into account the Company's capital structure and the rights, preferences and privileges of each class of stock, then assumes reasonable inputs for the other OPM variables (expected time to liquidity, volatility, and risk-free rate). The total equity value is then iterated in the model until the model output value for the equity class sold in a recent financing round equals the price paid in that round. The OPM is generally utilized when specific future liquidity events are difficult to forecast (i.e., the enterprise has many

10. Stock Compensation (Continued)

Stock Option Valuation (Continued)

choices and options available), and the enterprise's value depends on how well it follows an uncharted path through the various possible opportunities and challenges. In determining the estimated fair value of the common stock, the board of directors also considered the fact that the stockholders could not freely trade the common stock in the public markets. Accordingly, the Company applied discounts to reflect the lack of marketability of its common stock based on the weighted-average expected time to liquidity. The estimated fair value of the common stock at each grant date reflected a non-marketability discount partially based on the anticipated likelihood and timing of a future liquidity event.

For valuations performed on and after May 2023, the Company utilized a hybrid method that combines the Probability-Weighted Expected Return Method ("PWERM"), an accepted valuation method described in the Practice Aid, and the OPM. The Company determined this was the most appropriate method for determining the fair value of its common stock based on the stage of development and other relevant factors. The PWERM is a scenario-based analysis that estimates the value per share of common stock based on the probability-weighted present value of expected future equity values for the common stock, under various possible future liquidity event scenarios, considering the rights and preferences of each class of shares, discounted for a lack of marketability. Under the hybrid method, an option pricing model was utilized to determine the fair value of the Company's common stock in certain of the PWERM scenarios (capturing situations where its development path and future liquidity events were difficult to forecast), potential exit events were explicitly modeled in the other PWERM scenarios. A discount for lack of marketability was applied to the value derived under each scenario to account for a lack of access to an active public market to estimate the common stock fair value. The assumptions underlying these valuations represented management's best estimates, which involved inherent uncertainties and the application of management's judgment. As a result, if the Company had used significantly different assumptions or estimates, the fair value of the common stock and the stock-based compensation expense could have been materially different.

The Company also considers the amount of time between the independent third-party valuation dates and the grant dates and performs an interpolation of the fair value between the two valuation dates to estimate common stock fair value at each grant date. This determination includes an evaluation of whether the subsequent valuation indicated that any significant change in valuation had occurred between the previous valuation and the grant date.

Early Exercise of Employee Options

Proceeds from the early exercise of stock options are recorded as share repurchase liability, and as shares vest are recognized to additional paid-in capital in the condensed consolidated balance sheets. As of December 31, 2023 and March 31, 2024, there was $1.8 million and $1.3 million share repurchase liability related to the unvested shares, respectively.

The following table summarizes the activity for the Company's early exercisable shares for the three months ended March 31, 2024:

	Number of Shares	Weighted-Average Exercise Price Per Share
Unvested as of December 31, 2023	1,529,219	$1.14
Vested	(349,905)	$1.41
Unvested as of March 31, 2024	1,179,314	$1.06

ALUMIS INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(unaudited)

10. Stock Compensation (Continued)

Stock-Based Compensation Expense

The following table summarizes the stock-based compensation expense granted to employees and non-employees for the three months ended March 31, 2023 and 2024 (in thousands):

	Three months ended March 31,	
	2023	2024
Research and development	$1,002	$1,444
General and administrative	829	1,213
Total stock-based compensation expense	$1,831	$2,657

The following table summarizes the stock-based compensation expense related to the following equity-based awards (in thousands):

	Three months ended March 31,	
	2023	2024
Stock options	$1,813	$2,639
Restricted stock awards	18	18
Total stock-based compensation expense	$1,831	$2,657

Stock-based compensation expense related to non-employee awards was immaterial for all periods presented.

As of March 31, 2024, there was unrecognized stock-based compensation expense of $31.6 million related to unvested stock options which the Company expects to recognize over a weighted-average period of 3.1 years.

11. Net Loss Per Share Attributable to Class A Common Stockholders

The following table sets forth the computation of the basic and diluted net loss per share attributable to Class A common stockholders for the three months ended March 31, 2023 and 2024 (in thousands, except share and per share amounts):

	Three months ended March 31,	
	2023	2024
Numerator:		
Net loss	$ (36,027)	$ (49,849)
Denominator:		
Weighted average Class A common shares outstanding	12,318,299	12,525,233
Less: Weighted-average Class A common shares subject to repurchase	(2,978,381)	(1,445,133)
Weighted-average Class A common shares outstanding, basic and diluted	9,339,918	11,080,100
Net loss per share attributable to Class A common stockholders, basic and diluted	$ (3.86)	$ (4.50)

ALUMIS INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

11. Net Loss Per Share Attributable to Class A Common Stockholders (Continued)

The following outstanding potentially dilutive shares were excluded from the computation of diluted net loss per share attributable to Class A common stockholders for the periods presented, because including them would have been anti-dilutive (on an as-converted basis):

	March 31, 2023	March 31, 2024
Redeemable convertible preferred stock issued and outstanding	67,960,088	127,224,979
Common stock options issued and outstanding	19,175,979	26,019,851
Unvested restricted common stock and early exercised stock options	2,691,211	1,287,023
Total	89,827,278	154,531,853

12. Employee Benefit Plans

The Company sponsors a qualified 401(k) defined contribution plan covering eligible employees. Participants may contribute a portion of their annual compensation limited to a maximum annual amount set by the Internal Revenue Service. There were no employer contributions under this plan during the three months ended March 31, 2023 and 2024.

13. Subsequent Events

The Company has evaluated subsequent events for financial statement purposes occurring through May 15, 2024, the date when these condensed consolidated financial statements were available to be issued and through June 7, 2024, the date when these condensed consolidated financial statements are available to be reissued. No subsequent events have been identified for disclosure to or adjustment in the condensed consolidated financial statements, other than the matters noted below.

From April 2024 through June 2024, the Company granted stock options for the purchase of an aggregate of 5,968,650 shares of common stock, with an exercise price ranging from $2.18 – $2.85 per share to employees under the 2021 Plan. These options have vesting terms of four years with one-year cliff vesting.

In May 2024, the Company's board of directors adopted and the shareholders approved the 2024 Performance Option Plan (the "2024 POP"). The Company reserved 8,792,390 shares of common stock issuable under the 2024 POP. The 2024 POP permits grants of ISOs, NSOs and restricted stock awards to the Company's employees, directors and consultants.

In May 2024, the Company granted NSOs to employees to purchase 8,792,390 shares of common stock at an exercise price of $2.18 under the 2024 POP. Options generally vest on the date when both a performance condition and a service condition are satisfied for such shares. The performance condition is satisfied based on the Company meeting certain common stock public market price specified targets after the end of the lock-up period. The price target performance conditions are calculated based on the volume weighted average price per share over 30 consecutive trading dates, in accordance with the grant terms. Shares subject to the option that have not satisfied the performance condition within six years from the vesting commencement date shall expire. The service condition includes monthly vesting over 36 months from the vesting commencement date and the employee's continuous service with the Company through each such monthly vesting date.

In May 2024, the Company received $129.5 million gross cash proceeds from the issuance of 41,264,892 shares of Series C redeemable convertible preferred stock at a purchase price of $3.13826 per share in the Second Tranche Series C Closing.

Shares

Common Stock

PROSPECTUS

Morgan Stanley ***Leerink Partners*** ***Cantor*** ***Guggenheim Securities***

Through and including , 2024 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Unless otherwise indicated, all references to "Alumis," the "company," "we," "our," "us" or similar terms refer to Alumis Inc.

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth all expenses to be paid by us, other than underwriting discounts and commissions, in connection with this offering. All amounts shown are estimates except for the Securities and Exchange Commission (SEC) registration fee, the Financial Industry Regulatory Authority, Inc. (FINRA) filing fee and Nasdaq Global Market (Nasdaq) listing fee.

	Amount
SEC registration fee	$14,760
FINRA filing fee	15,500
Nasdaq listing fee	25,000
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees and expenses	*
Miscellaneous expenses	*
Total	$ *

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law (DGCL) authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and executive officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities, including reimbursement for expenses incurred, arising under the Securities Act of 1933, as amended (the Securities Act). Our amended and restated certificate of incorporation that will be in effect immediately prior to the closing of this offering permits indemnification of our directors, officers, employees and other agents to the maximum extent permitted by the DGCL, and our amended and restated bylaws that will be in effect on the closing of this offering provide that we will indemnify our directors and executive officers and permit us to indemnify our employees and other agents, in each case to the maximum extent permitted by the DGCL.

We have entered into indemnification agreements with our directors and executive officers, whereby we have agreed to indemnify our directors and executive officers to the fullest extent permitted by law, including indemnification against expenses and liabilities incurred in legal proceedings to which the director or executive officer was, or is threatened to be made, a party by reason of the fact that such director or executive officer is or was a director, executive officer, employee, or agent of Alumis, provided that such director or executive officer acted in good faith and in a manner that the director or executive officer reasonably believed to be in, or not opposed to, the best interest of Alumis.

At present, there is no pending litigation or proceeding involving a director or executive officer of Alumis regarding which indemnification is sought, nor is the registrant aware of any threatened litigation that may result in claims for indemnification.

We maintain insurance policies that indemnify our directors and officers against various liabilities arising under the Securities Act and the Securities Exchange Act of 1934, as amended, that might be incurred by any director or officer in his capacity as such.

The underwriter is obligated, under certain circumstances, under the underwriting agreement to be filed as Exhibit 1.1 to this Registration Statement, to indemnify us and our officers and directors against liabilities under the Securities Act.

Item 15. Recent Sales of Unregistered Securities.

Set forth below is information regarding unregistered securities issued by us since our inception in April 4, 2021.

Equity Plan-Related Issuances

From September 1, 2021 through the filing date of this registration statement, we granted to certain directors, officers, employees, consultants and other service providers options to purchase an aggregate of (i) 38,191,713 shares of our Class A common stock under the 2021 Plan at exercise prices ranging from $0.82 to $3.73 per share and (ii) 8,792,390 shares of our Class A common stock under the 2024 POP at an exercise price of $2.18 per share.

Preferred Stock Issuances

In February 2021, we issued and sold an aggregate of 10,500,000 shares of our Series Seed redeemable convertible preferred stock at a purchase price of $1.00 per share for an aggregate purchase price of $10,500,000.00.

In March 2021, we issued and sold an aggregate of 7,500,000 shares of our Series A redeemable convertible preferred stock at a purchase price of $4.00 per share for an aggregate purchase price of $30,000,00.00.

From December 2021 through January 2022, we sold an aggregate of 40,200,000 shares of our Series B redeemable convertible preferred stock at a purchase price of $5.00 per share. We also sold an aggregate of 9,760,088 shares of our Series B-1 redeemable convertible preferred stock upon the conversion of certain convertible promissory notes at a price of $4.00 per share. The aggregate purchase price for the Series B and Series B-1 redeemable convertible preferred shares was $240,040,356.18, $39,040,356.18 of which consisted of the conversion of outstanding convertible promissory notes.

In May 2023 and October 2023, we sold an aggregate of 14,943,510 shares of our Series B-2 redeemable convertible preferred stock at a purchase price of $5.00 per share. We also sold an aggregate of 3,056,490 shares of our Series B-2A redeemable convertible preferred stock at a price of $5.00 per share. The aggregate purchase price for the Series B-2 and Series B-2A redeemable convertible preferred shares was $90,000,000.00.

In March 2024, we sold an aggregate of 41,264,891 shares of our Series C redeemable convertible preferred stock at a purchase price of $3.13826 per share. The aggregate purchase price for the Series C redeemable convertible preferred shares was $129,499,956.96.

In May 2024, we sold an aggregate of 41,264,892 shares of our Series C redeemable convertible preferred stock at a purchase price of $3.13826 per share. The aggregate purchase price for the Series C redeemable convertible preferred shares was $129,499,960.08.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. Unless otherwise stated, the sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act (and Regulation D or Regulation S promulgated thereunder) or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed on the share certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about us. The sales of these securities were made without any general solicitation or advertising.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

Exhibit Number	Description
1.1+	Form of Underwriting Agreement.
3.1	Amended and Restated Certificate of Incorporation of the Registrant, as currently in effect.
3.2+	Form of Amended and Restated Certificate of Incorporation of the Registrant, to be in effect immediately after the closing of the offering.
3.3	Bylaws of the Registrant, as currently in effect.
3.4+	Form of Amended and Restated Bylaws of the Registrant, to be in effect on the closing of the offering.
4.1+	Form of Common Stock Certificate.
4.2*	Amended and Restated Investors' Rights Agreement, by and among the Registrant and certain of its stockholders, dated March 4, 2024.
5.1+	Opinion of Cooley LLP.
10.1#	Alumis Inc. 2021 Stock Plan, as amended.
10.2#	Forms of Stock Option Grant Notice under Alumis Inc. 2021 Stock Plan, as amended.
10.3#+	Alumis Inc. 2024 Equity Incentive Plan.
10.4#+	Forms of Stock Option Grant Notice, Stock Option Agreement and Notice of Exercise under the Alumis Inc. 2024 Equity Incentive Plan.
10.5#+	Forms of Restricted Stock Unit Grant Notice and Award Agreement under the Alumis Inc. 2024 Equity Incentive Plan.
10.6#	Alumis Inc. 2024 Performance Option Plan.
10.7#	Forms of Stock Option Grant Notice, Stock Option Agreement and Notice of Exercise under the Alumis Inc. 2024 Performance Option Plan.
10.8#+	Alumis Inc. 2024 Employee Stock Purchase Plan.
10.9#+	Alumis Inc. 2024 Non-Employee Director Compensation Policy.
10.10#+	Alumis Inc. Severance Plan.
10.11#+	Form of Indemnification Agreement by and between the Registrant and its directors and executive officers.
10.12	Lease Agreement dated as of August 11, 2022 by and between the Registrant and PG VII 280 East Grand, LLC.
10.13#	Offer Letter, dated as of September 15, 2021, by and between the Registrant and Martin Babler.
10.14#	Offer Letter, dated as of September 15, 2021, by and between the Registrant and David Goldstein.
10.15#	Offer Letter, dated as of September 15, 2021, by and between the Registrant and Roy Hardiman.
10.16#*	Offer Letter, dated as of March 15, 2021, by and between the Registrant and Mark Bradley.
10.17#	Amendment to Offer Letter, dated as of July 18, 2023, by and between the Registrant and Mark Bradley.
10.18#	Offer Letter, dated as of November 12, 2021, by and between the Registrant and Derrick Richardson.
10.19#	Offer Letter, dated as of January 12, 2022, by and between the Registrant and Sara Klein.
10.20#	Offer Letter, dated as of March 22, 2022, by and between the Registrant and John Schroer.
10.21#*	Offer Letter, dated as of June 24, 2022, by and between the Registrant and Jörn Drappa.
10.22*¥	Stock Purchase Agreement, dated as of March 5, 2021, by and among the Registrant, FronThera International Group Limited and FronThera U.S. Holdings, Inc.
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.

Exhibit Number	Description
23.2+	Consent of Cooley LLP (included in Exhibit 5.1).
24.1	Power of Attorney (included on signature page).
107	Filing Fee Table.

+ To be filed by amendment.

# Indicates management contract or compensatory plan.

* Pursuant to Item 601(b)(10) of Regulation S-K, portions of this exhibit have been omitted (indicated by "[***]") as the registrant has determined that the omitted information (i) is not material and (ii) the type of information that the registrant customarily and actually treats as private or confidential.

¥ Schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant undertakes to furnish supplemental copies of any of the omitted schedules upon request by the U.S. Securities and Exchange Commission.

(b) Financial Statement Schedules.

All financial statement schedules are omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or the notes thereto.

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant under the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the U.S. Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance on Rule 430A and contained in a form of prospectus filed by the registrant under Rule 424(b)(1) or (4) or 497(h) under the Securities Act will be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus will be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time will be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of South San Francisco, State of California, on June 7, 2024.

ALUMIS INC.

By: /s/ Martin Babler
Name: Martin Babler
Title: Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Martin Babler and John Schroer and each one of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in their name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to sign any registration statement for the same offering covered by this registration statement that is to be effective on filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and all post-effective amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Martin Babler Martin Babler	President and Chief Executive Officer and Director (*Principal Executive Officer*)	June 7, 2024
/s/ John Schroer John Schroer	Chief Financial Officer (*Principal Financial and Accounting Officer*)	June 7, 2024
/s/ Alan B. Colowick Alan B. Colowick, M.D., M.P.H.	Director	June 7, 2024
/s/ Sapna Srivastava Sapna Srivastava, Ph.D.	Director	June 7, 2024
/s/ James B. Tananbaum James B. Tananbaum, M.D.	Director	June 7, 2024
/s/ Zhengbin Yao Zhengbin Yao, Ph.D.	Director	June 7, 2024
/s/ Srinivas Akkaraju Srinivas Akkaraju, M.D., Ph.D.	Director	June 7, 2024

Exhibit 3.1

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
ALUMIS INC.

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

Alumis Inc., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

DOES HEREBY CERTIFY:

1. That the name of this corporation is Alumis Inc., and that this corporation was originally incorporated pursuant to the General Corporation Law on January 29, 2021 under the name "FL2021-001, Inc."

2. That the Board of Directors duly adopted resolutions proposing to amend and restate the Amended and Restated Certificate of Incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

RESOLVED, that the Amended and Restated Certificate of Incorporation of this corporation be amended and restated in its entirety to read as follows:

FIRST: The name of this corporation is Alumis Inc. (the "**Corporation**").

SECOND: The address of the corporation's registered office in the State of Delaware is 3500 South DuPont Hwy in the City of Dover, County of Kent, 19901. The name of the corporation's registered agent at such address is Incorporating Services, Ltd.

THIRD: The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 225,000,000 shares of Class A Common Stock, $0.0001 par value per share ("**Class A Common Stock**"), (ii) 168,489,897 shares of Class B Common Stock, $0.0001 par value per share ("**Class B Common Stock**"), and (iii) 202,643,727 shares of Preferred Stock, $0.0001 par value per share ("**Preferred Stock**"). The Class A Common Stock and the Class B Common Stock are referred to together as the "**Common Stock.**"

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein.

2. Voting. The holders of the Common Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders (and written actions in lieu of meetings); provided, however, Class B Common Stock, immediately prior to such time as the Corporation has a class of equity securities registered under the Securities Act of 1933, as amended (the "**Securities Act**"), shall be non-voting except as may be required by law. Except as set forth in the previous sentence, the Class A Common Stock and the Class B Common Stock shall be treated equally and in the same manner in all respects, including with respect to dividends, distributions, stock splits, stock dividends, stock combinations or similar events. There shall be no cumulative voting. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding (on an as converted basis)) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of this Amended and Restated Certificate of Incorporation) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

B. PREFERRED STOCK

10,500,000 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series Seed Preferred Stock**", 7,500,000 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series A Preferred Stock**", 40,200,000 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series B Preferred Stock**", 9,760,088 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series B-1 Preferred Stock,**" 18,000,000 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series B-2 Preferred Stock,**" 1,778,830 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series B-2A Preferred Stock,**" 82,529,809 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series C Preferred Stock,**" and 32,375,000 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series C-1 Preferred Stock,**" in each case with the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. The Series Seed Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock, Series B-2 Preferred Stock, Series C Preferred Stock and Series C-1 Preferred Stock shall collectively be referred to as the "**Voting Preferred Stock,**" and together with the Common Stock, the "**Voting Stock.**" The Series B-2A Preferred Stock shall be referred to as the "**Nonvoting Preferred Stock.**" The Nonvoting Preferred Stock of a given class or series of stock shall be identical in every respect to the Voting Preferred Stock of the same class or series of stock, except with respect to voting rights for directors or for the size of the Board of Directors. Unless otherwise indicated, references to "sections" or "subsections" in this Part B of this Article Fourth refer to sections and subsections of Part B of this Article Fourth.

1. Dividends. The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in this Amended and Restated Certificate of Incorporation) the holders of the Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Preferred Stock in an amount at least equal to (i) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Preferred Stock as would equal the product of (A) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (B) the number of shares of Common Stock issuable upon conversion of a share of Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (ii) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Preferred Stock determined by (A) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (B) multiplying such fraction by an amount equal to the applicable Original Issue Price (as defined below); provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Preferred Stock pursuant to this Section 1 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Preferred Stock dividend. As used herein, "**Original Issue Price**" shall mean (i) with respect to the Series Seed Preferred Stock, $1.00 per share, (ii) with respect to the Series A Preferred Stock, $4.00 per share (iii) with respect to the Series B-1 Preferred Stock, $4.00 per share, (iv) with respect to the Series B Preferred Stock, $5.00 per share, (v) with respect to the Series B-2 Preferred Stock, $5.00 per share, (vi) with respect to the Series B-2A Preferred Stock, $5.00 per share, (vii) with respect to the Series C Preferred Stock, $3.13826 per share, and (viii) with respect to the Series C-1 Preferred Stock, $4.00 per share, in each case subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Stock or a series thereof

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 Preferential Payments to Holders of Series B Preferred Stock, Series B-1 Preferred Stock, Series B-2 Preferred Stock, Series B-2A Preferred Stock, Series C Preferred Stock and Series C-1 Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series B Preferred Stock, Series B-1 Preferred Stock, Series B-2 Preferred Stock, Series B-2A Preferred Stock, Series C Preferred Stock and Series C-1 Preferred Stock (collectively, the "**Senior Preferred Stock**") then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, and in the event of a Deemed Liquidation Event (as defined below), the holders of shares of Senior Preferred Stock then outstanding shall be entitled to be paid out of the consideration payable to stockholders in such Deemed Liquidation Event or out of the Available Proceeds (as defined below), as applicable, on a pari passu basis based on their respective Senior Preferred Stock Liquidation Amounts (as defined below) and before any payment shall be made to the holders of Series A Preferred Stock, Series Seed Preferred Stock and Common Stock by reason of their ownership thereof, an amount per share equal to the greater of (i) the Original Issue Price of the applicable series of Senior Preferred Stock, plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had all shares of the applicable series of Senior Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution, winding up or Deemed Liquidation Event (the amount payable pursuant to this sentence is hereinafter referred to as the "**Senior Preferred Stock Liquidation Amount**"). If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Senior Preferred Stock the full amount to which they shall be entitled under this Section 2.1, the holders of shares of Senior Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.2 Preferential Payments to Holders of Series A Preferred Stock and Series Seed Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment in full of the Senior Preferred Stock Liquidation Amount, the holders of shares of Series A Preferred Stock and Series Seed Preferred Stock (collectively, the "**Junior Preferred Stock**") then outstanding shall be entitled to be paid out of the remaining assets of the Corporation available for distribution to its stockholders, and in the event of a Deemed Liquidation Event (as defined below), the holders of shares of Junior Preferred Stock then outstanding shall be entitled to be paid out of the remaining consideration payable to stockholders in such Deemed Liquidation Event or out of the Available Proceeds (as defined below), as applicable, on a pari passu basis based on their respective Junior Preferred Stock Liquidation Amounts (as defined below) and before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the greater of (i) the Original Issue Price of the applicable series of Junior Preferred Stock, plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had all shares of such series ofJunior Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution, winding up or Deemed Liquidation Event (the amount payable pursuant to this sentence is hereinafter referred to as the "**Junior Preferred Stock Liquidation Amount**"). If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Junior Preferred Stock the full amount to which they shall be entitled under this Section 2.2, the holders of shares of Junior Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.3 Payments to Holders of Common Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment in full of the Senior Preferred Stock Liquidation Amount and the Junior Preferred Stock Liquidation Amount, the remaining assets of the Corporation available for distribution to its stockholders or, in the case of a Deemed Liquidation Event, the consideration not payable to the holders of shares of Preferred Stock pursuant to Section 2.1 and Section 2.2 or the remaining Available Proceeds, as the case may be, shall be distributed among the holders of shares of Common Stock, *pro rata* based on the number of shares held by each such holder.

2.4 Deemed Liquidation Events.

2.4.1 Definition. Each of the following events shall be considered a "**Deemed Liquidation Event**" unless both (a) the holders of a majority of the outstanding shares of Preferred Stock, voting together as a single class and on an as-converted basis (the "**Requisite Holders**"), (b) the holders of a majority of the Series C Preferred Stock and Series C-1 Preferred Stock, voting together as a single class and on an as-converted basis (together, the "**Requisite Series C Holders**"), and (c) the holders of a majority of the Series B Preferred Stock, Series B-2 Preferred Stock and Series B-2A Preferred Stock, voting together as a single class and on an as-converted basis (together, the "**Requisite Series B Holders**"), elect otherwise by written notice sent to the Corporation at least ten (10) days prior to the effective date of any such event:

(a) a merger, consolidation, statutory conversion, transfer, domestication or continuance in which

(i) the Corporation is a constituent party or

(ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation,

except any such merger, consolidation, statutory conversion, transfer, domestication or continuance involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger, consolidation, statutory conversion, transfer, domestication or continuance continue to represent, or are converted into or exchanged for shares of capital stock or other equity interests that represent, immediately following such merger, consolidation, statutory conversion, transfer, domestication or continuance, a majority, by voting power, of the capital stock or other equity interests of (I) the surviving or resulting corporation or entity; or (2) if the surviving or resulting corporation or entity is a wholly owned subsidiary of another corporation or entity immediately following such merger, consolidation, statutory conversion, transfer, domestication or continuance, the parent corporation or entity of such surviving or resulting corporation or entity, in each case, on a fully diluted basis; or

(b) (1) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or (2) the sale, lease, transfer, exclusive license or other disposition (whether by merger, consolidation, statutory conversion, domestication, continuance or otherwise, and whether in a single transaction or a series of related transactions) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

2.4.2 Effecting a Deemed Liquidation Event.

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Section 2.4.1(a)(i) unless the agreement or plan with respect to such transaction, or terms of such transaction (any such agreement, plan or terms, the "**Transaction Document**") provides that the consideration payable to the stockholders of the Corporation in such Deemed Liquidation Event shall be paid to the holders of capital stock of the Corporation in accordance with Sections 2.1, 2.2 and 23.

(b) In the event of a Deemed Liquidation Event referred to in Section 2.4.1(a)(ii) or 2.4.1(b), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within ninety (90) days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the thirtieth (30th) day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause; (ii) to require the redemption of such shares of Preferred Stock, and (iii) if the Requisite Holders so request in a written instrument delivered to the Corporation not later than one hundred twenty (120) days after delivery of notice of such Deemed Liquidation Event (the "**Redemption Request**"), the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors of the Corporation), together with any other assets of the Corporation available for distribution to its stockholders, all to the extent permitted by Delaware law governing distributions to stockholders (the "**Available Proceeds**"), on the ninetieth (90th) day after such written request, to first redeem all outstanding shares of Senior Preferred Stock at a price per share equal to the Senior Preferred Stock Liquidation Amount, and thereafter to redeem all outstanding shares of Junior Preferred Stock at a price per share equal to the applicable Junior Preferred Stock Liquidation Amount. Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to first redeem all outstanding shares of Senior Preferred Stock, the Corporation shall ratably redeem each holder's shares of Senior Preferred Stock to the fullest extent of such Available Proceeds, and shall thereafter redeem the remaining shares of Senior Preferred Stock as soon as it may lawfully do so under Delaware law governing distributions to stockholders. After the redemption in full of the Senior Preferred Stock, if the Available Proceeds are not sufficient to redeem all outstanding shares of Junior Preferred Stock, the Corporation shall ratably redeem each holder's shares of Junior Preferred Stock to the fullest extent of such Available Proceeds, and shall thereafter redeem the remaining shares of Junior Preferred Stock as soon as it may lawfully do so under Delaware law governing distributions to stockholders. Prior to the distribution or redemption provided for in this Section 2.4.2(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event in any way other than to pay the distribution or redemption provided for in this Section 2.4.2 (except to discharge expenses incurred in connection with such Deemed Liquidation Event or in the ordinary course of business).

2.4.3 Redemption Procedures. Following its receipt of a Redemption Request, the Corporation shall send written notice of the planned redemption of Preferred Stock (the "**Redemption Notice**") to each holder of record of Preferred Stock, which shall state:

(a) the date of such redemption (the "**Redemption Date**") and the amount to be paid per share in redemption pursuant to Section 2.4.2 above;

(b) the date upon which the holder's right to convert such shares terminates (as determined in accordance with Section 4.1); and

(c) for holders of shares in certificated form, that the holder is to surrender to the Corporation, in the manner and at the place designated, his, her or its certificate or certificates representing the shares of Preferred Stock to be redeemed.

2.4.4 Surrender of Certificates; Payment; Termination of Rights. On or before the Redemption Date, each holder of shares of Preferred Stock to be redeemed on such Redemption Date, unless such holder has exercised his, her or its right to convert such shares as provided in Section 4, shall, if a holder of shares in certificated form, surrender the certificate or certificates representing such shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof. In the event less than all of the shares of Preferred Stock represented by a certificate are redeemed, a new certificate, instrument, or book entry representing the unredeemed shares of Preferred Stock shall promptly be issued to such holder. Upon the payment of the applicable Redemption Price for a share of Preferred Stock in accordance herewith, such share of Preferred Stock shall cease to be outstanding and cease to have any rights, privileges or preferences.

2.4.5 Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the holders of capital stock of the Corporation upon any such merger, consolidation, sale, transfer, exclusive license, other disposition or redemption shall be the cash or the value of the property, rights or securities to be paid or distributed to such holders pursuant to such Deemed Liquidation Event. The value of such property, rights or securities shall be determined in good faith by the Board of Directors of the Corporation.

2.4.6 Allocation of Escrow and Contingent Consideration. In the event of a Deemed Liquidation Event pursuant to Section 2.4.1(a)(i), if any portion of the consideration payable to the stockholders of the Corporation is payable only upon satisfaction of contingencies (the "**Additional Consideration**"), the Transaction Document shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, the "**Initial Consideration**") shall be allocated among the holders of capital stock of the Corporation in accordance with Sections 2.1, 2.2 and 2.3 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event; and (b) any Additional Consideration which becomes payable to the stockholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Sections 2.1, 2.2 and 2.3 after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Section 2.4.6, consideration placed into escrow or retained as a holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation Event shall be deemed to be Additional Consideration.

3. Voting.

3.1 General. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of this Amended and Restated Certificate of Incorporation, holders of Preferred Stock shall vote together with the holders of Common Stock as a single class and on an as-converted to Common Stock basis.

3.2 Election of Directors. The holders of the Nonvoting Preferred Stock shall have no voting rights with respect to the election of the members of the Board of Directors of the Corporation, and the shares of Nonvoting Preferred Stock shall not be included in determining the number of shares voting or entitled to vote on such matter (the "**Nonvoting Restriction**"); provided, however, that the Nonvoting Restriction shall cease to apply upon the earlier to occur of (i) the closing of a Qualified Public Offering (as defined below) or (ii) a Deemed Liquidation Event, except, in each case to the extent that any governmental filings would be triggered by such cessation, such cessation would not take effect until the required parties have submitted any required filings (to be made at the discretion of each holder of Nonvoting Preferred Stock) and observed any required waiting periods. At any time when at least 1,875,000 shares of Series A Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Stock) are outstanding, the holders of record of the shares of Series A Preferred Stock, voting exclusively and as a separate class on an as-converted to Common Stock basis, shall be entitled to elect one (I) director of the Corporation (the "**Series A Director**"). At any time when at least 10,050,000 shares of Series B Preferred Stock, Series B-1 Preferred Stock and/or Series B-2 Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Stock) are outstanding, the holders of record of the shares of Series B Preferred Stock, Series B-1 Preferred Stock and Series B-2 Preferred Stock, voting exclusively and as a separate class on an as-converted to Common Stock basis, shall be entitled to elect two (2) directors of the Corporation (the "**Series B Directors**"). At any time when at least 10,316,222 shares of Series C Preferred Stock and/or Series C- I Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Stock) are outstanding, the holders of record of the shares of Series C Preferred Stock and Series C-1 Preferred Stock, voting exclusively and as a separate class on an as-converted to Common Stock basis, shall be entitled to elect two (2) directors of the Corporation (the "**Series C Directors**", and together with the Series A Director and the Series B Directors, the "**Preferred Directors**"). The holders of record of the shares of Common Stock, voting exclusively and as a separate class, shall be entitled to elect one (1) director of the Corporation. The holders of Common Stock and Voting Preferred Stock, voting together as a single class on an as-converted basis, shall be entitled to elect all remaining members of the Board of Directors of the Corporation, if any. Any director elected as provided in the preceding four sentences may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Voting Preferred Stock and/or Common Stock, as the case may be, fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, voting exclusively and as a separate class, pursuant to the foregoing sentences of this Section 3.2, then any directorship not so filled shall remain vacant until such time as the holders of the Voting Preferred Stock and/or Common Stock, as the case may be, elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, voting exclusively and as a separate class. Notwithstanding the provisions of Section 223(a)(1) and 223(a)(2) of the General Corporation Law, any newly created directorships resulting from any increase in the authorized number of directors or amendment of this Amended and Restated Certificate of Incorporation may be filled by a majority of the directors then in office, though less than a quorum, or by a sole director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced; provided, however, that where the holders of shares of such class or series have the right to elect a director to such newly created directorship pursuant to an amendment of this Amended and Restated Certificate of Incorporation or any voting agreement executed among the Corporation and certain of its shareholders, the Board of Directors shall not be entitled to fill such newly created directorship and the holders of shares of such class or series shall fill such newly created directorship as provided for therein. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Section 3.2, a vacancy in any directorship filled by the holders of any class or classes or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or classes or series or by any remaining director or directors elected by the holders of such class or classes or series pursuant to this Section 3.2.

3.3 Preferred Stock Protective Provisions. At any time when at least 16,990,022 shares of Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Stock) are outstanding, and subject to the further requirements of Section 3.4, Section 3.5, Section 3.6, Section 3.7 and/or Section 3.8, as applicable, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation, domestication, transfer, continuance, recapitalization, reclassification, waiver, statutory conversion, or otherwise, effect any of the following without (in addition to any other vote required by law or this Amended and Restated Certificate of Incorporation) the written consent or affirmative vote of the Requisite Holders given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class (except that, with respect to Section 3.3.9, the Requisite Holders shall mean the holders of a majority of the outstanding shares of Voting Preferred Stock, voting together as a single class and on an as-converted basis), and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect.

3.3.1 liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any Deemed Liquidation Event or any other merger, consolidation, statutory conversion, transfer, domestication or continuance, or consent to any of the foregoing;

3.3.2 amend, alter or repeal any provision of this Amended and Restated Certificate of Incorporation or Bylaws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Preferred Stock or any series thereof;

3.3.3 create, or authorize the creation of, or issue or obligate itself to issue shares of, any additional class or series of capital stock unless the same ranks junior to the Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption, or increase the authorized number of shares of Preferred Stock or increase the authorized number of shares of any additional class or series of capital stock of the Corporation unless the same ranks junior to the Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption;

3.3.4 (i) reclassify, alter or amend any existing security of the Corporation that is pari passu with the Preferred Stock in respect of the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to the Preferred Stock in respect of any such right, preference, or privilege or (ii) reclassify, alter or amend any existing security of the Corporation that is junior to the Preferred Stock in respect of the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to or pari passu with the Preferred Stock in respect of any such right, preference or privilege;

3.3.5 purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (i) redemptions of or dividends or distributions on the Preferred Stock as expressly authorized herein, (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock and (iii) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at no greater than the original purchase price thereof or (iv) as approved by the Board of Directors;

3.3.6 create, or authorize the creation of, or issue, or authorize the issuance of any debt security or create any lien or security interest (except for purchase money liens or statutory liens of landlords, mechanics, materialmen, workmen, warehousemen and other similar persons arising or incurred in the ordinary course of business) or incur other indebtedness for borrowed money, including but not limited to obligations and contingent obligations under guarantees, or permit any subsidiary to take any such action with respect to any debt security, lien, security interest or other indebtedness for borrowed money, unless such debt security, lien, security interest or other indebtedness has received the prior approval of the Board of Directors;

3.3.7 create, or hold capital stock in, any subsidiary that is not wholly owned (either directly or through one or more other subsidiaries) by the Corporation, or permit any subsidiary to create, or authorize the creation of, or issue or obligate itself to issue, any shares of any class or series of capital stock, or sell, transfer or otherwise dispose of any capital stock of any direct or indirect subsidiary of the Corporation, or permit any direct or indirect subsidiary to sell, lease, transfer, exclusively license or otherwise dispose (in a single transaction or series of related transactions) of all or substantially all of the assets of such subsidiary;

3.3.8 sell, assign, license, transfer, pledge, or encumber the Corporation's primary asset, ESK-001; or

3.3.9 increase or decrease the authorized number of directors constituting the Board of Directors.

3.4 Series C Preferred Stock and Series C-1 Preferred Stock Protective Provisions. At any time when at least 10,316,222 shares of Series C Preferred Stock and Series C¬I Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation, domestication, transfer, continuance, recapitalization, reclassification, waiver, statutory conversion or otherwise, effect any of the following without (in addition to any other vote required by law or this Amended and Restated Certificate of Incorporation) the written consent or affirmative vote of the Requisite Series C Holders given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect.

3.4.1 amend, alter or repeal any provision of this Amended and Restated Certificate of Incorporation or Bylaws of the Corporation in a manner that adversely affects the rights, preferences and privileges of the Series C Preferred Stock and/or Series C-1 Preferred Stock without similarly affecting the entire class of Preferred Stock;

3.4.2 reclassify, amend or modify existing securities in a manner that adversely affects the rights, preferences or privileges of the Series C Preferred Stock and/or Series C-I Preferred Stock, or increase the authorized number of shares of the Series C Preferred Stock;

3.4.3 amend, waive or modify Section 2.1; or

3.4.4 purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (i) redemptions of or dividends or distributions on the Preferred Stock as expressly authorized herein, (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock and (iii) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at no greater than the original purchase price thereof

3.5 Series C Preferred Stock Protective Provisions. At any time when at least 10,316,222 shares of Series C Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation, domestication, transfer, continuance, recapitalization, reclassification, waiver, statutory conversion or otherwise, effect any of the following without (in addition to any other vote required by law or this Amended and Restated Certificate of Incorporation) the written consent or affirmative vote of a majority of the outstanding shares of Series C Preferred Stock (voting together as a single class and on an as-converted basis) given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect.

3.5.1 amend, waive or modify the Original Issue Price of the Series C Preferred Stock or the applicable Conversion Price of the Series C Preferred Stock (including any anti-dilution rights with respect thereto).

3.6 Series C-1 Preferred Stock Protective Provisions. At any time when at least 8,093,750 shares of Series C-1 Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation, domestication, transfer, continuance, recapitalization, reclassification, waiver, statutory conversion or otherwise, effect any of the following without (in addition to any other vote required by law or this Amended and Restated Certificate of Incorporation) the written consent or affirmative vote of a majority of the outstanding shares of Series C-1 Preferred Stock (voting together as a single class and on an as-converted basis) given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect.

3.6.1 increase the authorized number of shares of the Series C-1 Preferred Stock;

3.6.2 amend, waive or modify the Original Issue Price of the Series C-1 Preferred Stock or the applicable Conversion Price of the Series C-1 Preferred Stock (including any anti-dilution rights with respect thereto); or

3.6.3 issue any shares of the Series C-1 Preferred Stock other than pursuant to Section 1.4 of the Series C Purchase Agreement (as defined below).

3.7 Series B Preferred Stock, Series B-2 Preferred Stock and Series B 2A Preferred Stock Protective Provisions. At any time when at least 10,050,000 shares of Series B Preferred Stock, Series B-2 Preferred Stock and/or Series B-2A Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation, domestication, transfer, continuance, recapitalization, reclassification, waiver, statutory conversion or otherwise, effect any of the following without (in addition to any other vote required by law or this Amended and Restated Certificate of Incorporation) the written consent or affirmative vote of the Requisite Series B Holders given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect.

3.7.1 amend, alter or repeal any provision of this Amended and Restated Certificate of Incorporation or Bylaws of the Corporation in a manner that adversely affects the rights, preferences and privileges of the Series B Preferred Stock, the Series B-2 Preferred Stock and/or the Series B-2A Preferred Stock without similarly affecting the entire class of Preferred Stock;

3.7.2 reclassify, amend or modify existing securities in a manner that adversely affects the rights, preferences or privileges of the Series B Preferred Stock, the Series B-2 Preferred Stock and/or the Series B-2A Preferred Stock, or increase the authorized number of shares of Series B Preferred Stock, Series B-2 Preferred Stock, Series B-2A Preferred Stock or Class B Common Stock;

3.7.3 amend, waive or modify the Original Issue Price of the Series B Preferred Stock, the Series B-2 Preferred Stock and/or the Series B-2A Preferred Stock, the applicable Conversion Price (as defined below) of the Series B Preferred Stock, Series B-2 Preferred Stock and/or the Series B-2A Preferred Stock (including any anti-dilution rights with respect thereto) or Section 2.1; or

3.7.4 purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (i) redemptions of or dividends or distributions on the Preferred Stock as expressly authorized herein, (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock and (iii) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at no greater than the original purchase price thereof.

3.8 Founder Preferred Stock Protective Provisions. At any time when at least 4,500,000 shares of Series B-1 Preferred Stock, Series A Preferred Stock and Series Seed Preferred Stock (collectively, the "**Founder Preferred Stock**") (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation, domestication, transfer, continuance, recapitalization, reclassification, waiver, statutory conversion or otherwise, effect any of the following without (in addition to any other vote required by law or this Amended and Restated Certificate of Incorporation) the written consent or affirmative vote of a majority of the outstanding shares of Founder Preferred Stock (voting together as a single class and on an as-converted basis) given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect.

3.8.1 amend, alter or repeal any provision of this Amended and Restated Certificate of Incorporation or Bylaws of the Corporation in a manner that adversely affects the rights, preferences and privileges of the Founder Preferred Stock without similarly affecting the entire class of Preferred Stock;

3.8.2 reclassify, amend or modify existing securities in a manner that adversely affects the rights, preferences or privileges of either the Series Seed Preferred Stock, the Series A Preferred Stock or the Series B-1 Preferred Stock, or increase the authorized number of shares of either the Series Seed Preferred Stock, the Series A Preferred Stock or the Series B-1 Preferred Stock;

3.8.3 amend, waive or modify the Original Issue Price of either the Series Seed Preferred Stock, the Series A Preferred Stock or the Series B-1 Preferred Stock, the applicable Conversion Price of either the Series Seed Preferred Stock, the Series A Preferred Stock or the Series B-1 Preferred Stock (including any anti-dilution rights with respect thereto) or Section 2.2; or

3.8.4 purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (i) redemptions of or dividends or distributions on the Preferred Stock as expressly authorized herein, (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock and (iii) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at no greater than the original purchase price thereof.

4. Optional Conversion. The holders of the Preferred Stock shall have conversion rights as follows (the "**Conversion Rights**"):

4.1 Right to Convert.

4.1.1 Voting Preferred Stock into Nonvoting Preferred Stock. Each share of Series B-2 Preferred Stock shall be convertible at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into one share of Series B-2A Preferred Stock.

4.1.2 Nonvoting Preferred Stock into Voting Preferred Stock. Each share of Series B-2A Preferred Stock shall be convertible at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into one share of Series B-2 Preferred Stock. Notwithstanding anything to the contrary in this Section 4.1.2, if any conversion would require a holder or its ultimate parent entity (as that tern is defined in the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "**HSR Act**")) to make any filings under the HSR Act, then such conversion will not become effective until all applicable waiting periods have expired with respect to such filings.

4.1.3 Conversion Ratio. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of Class A Common Stock as is determined by dividing the applicable Original Issue Price by the applicable Conversion Price in effect at the time of conversion. Notwithstanding the preceding sentence, each share of Preferred Stock may, at the option of the holder thereof in accordance with Section 4.3.1, convert, without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of Class B Common Stock as is determined by dividing such applicable Original Issue Price by such applicable Conversion Price in effect at the time of conversion of each share of Preferred Stock. The "**Conversion Price**" of each series of Preferred Stock shall initially be equal to the Original Issue Price of such series of Preferred Stock. Such initial Conversion Price, and the rate at which shares of Preferred Stock may be converted into shares of Class A Common Stock or Class B Common Stock, as applicable, shall be subject to adjustment as provided below. Notwithstanding anything to the contrary in this Section 4.1.3, if any conversion would require a holder or its ultimate parent entity (as that term is defined in the HSR Act) to make any filings under the HSR Act, then such conversion will not become effective until all applicable waiting periods have expired with respect to such filings. Notwithstanding the foregoing, or any other provision of this Amended and Restated Certificate of Incorporation, no shares of Series C Preferred Stock and/or Series C- I Preferred Stock may be converted into shares of Common Stock pursuant to this Section 4.1.3 at any time during the Restricted Investment Period (as defined in the Series C Purchase Agreement) (the "**Elective Conversion Restriction**"); provided that this Elective Conversion Restriction shall not limit or modify any other provision of this Amended and Restated Certificate of Incorporation or any other agreement between the Corporation and the holders of Series C Preferred Stock and/or Series C- I Preferred Stock that requires the conversion of shares of Series C Preferred Stock and/or Series C¬I Preferred Stock into Common Stock or that calculates votes or other rights of holders of Series C Preferred Stock and/or Series C-1 Preferred Stock on an as-converted to Common Stock basis

4.1.4 Termination of Conversion Rights. In the event of a notice of redemption of any shares of Preferred Stock pursuant to Section 2.4.3, the Conversion Rights of the shares designated for redemption shall terminate at the close of business on the last full day preceding the date fixed for redemption, unless the redemption price is not fully paid on such redemption date, in which case the Conversion Rights for such shares shall continue until such price is paid in full. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Preferred Stock; provided that the foregoing termination of Conversion Rights shall not affect the amount(s) otherwise paid or payable in accordance with Sections 2.1 and 2.2 pursuant to such liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board of Directors of the Corporation. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. In order for a holder of Preferred Stock to voluntarily convert shares of Preferred Stock into shares of Common Stock, such holder shall (a) provide written notice to the Corporation's transfer agent at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent) that such holder elects to convert all or any number of such holder's shares of Preferred Stock and, if applicable, any event on which such conversion is contingent, (b) with respect to the Preferred Stock, the number of shares of Class A Common Stock and/or Class B Common Stock such Preferred Stock shall be converted into and (c), if such holder's shares are certificated, surrender the certificate or certificates for such shares of Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent). Such notice shall state such holder's name or the names of the nominees in which such holder wishes the shares of Common Stock to be issued. If required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such notice and, if applicable, certificates (or lost certificate affidavit and agreement) shall be the time of conversion (the "**Conversion Time**"), and the shares of Common Stock issuable upon conversion of the specified shares shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time (and in any event within five (5) business days) (i) issue and deliver to such holder of Preferred Stock, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, (ii) pay in cash such amount as provided in Section 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and (iii) pay all declared but unpaid dividends on the shares of Preferred Stock converted.

4.3.2 Reservation of Shares. The Corporation shall at all times when the Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Preferred Stock, such number of its duly authorized shares of Class A Common Stock and Class B Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Amended and Restated Certificate of Incorporation. Before taking any action which would cause an adjustment reducing any Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the applicable series of Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and non-assessable shares of Common Stock at such adjusted Conversion Price.

4.3.3 Effect of Conversion. All shares of Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Section 4.2 and to receive payment of any dividends declared but unpaid thereon. Any shares of Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to a Conversion Price shall be made for any declared but unpaid dividends on the shares of the applicable series of Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4 Adjustments to Conversion Price for Diluting Issues.

4.4.1 Special Definitions. For purposes of this Article Fourth, the following definitions shall apply:

(a) "**Option**" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(b) "**Original Issue Date**" shall mean the date on which the first share of Series C Preferred Stock was issued.

(c) "**Convertible Securities**" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(d) "**Additional Shares of Common Stock**" shall mean all shares of Common Stock issued (or, pursuant to Section 4.4.3 below, deemed to be issued) by the Corporation after the Original Issue Date, other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, "**Exempted Securities**"):

(i) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on Preferred Stock that is made *pro rata* (on an as converted basis) to each class or series of Preferred Stock;

(ii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Sections 4.5, 4.6, 4.7 or 4.8;

(iii) shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board of Directors of the Corporation;

(iv) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security;

(v) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board of Directors of the Corporation, including the approval of at least one Series B Director;

(vi) shares of Common Stock, Options or Convertible Securities issued as acquisition consideration pursuant to the acquisition of another corporation by the Corporation by merger, purchase of substantially all of the assets or other reorganization or to a joint venture agreement, provided that such issuances and the related acquisition are approved by the Board of Directors of the Corporation, including the approval of at least one Series B Director;

(vii) shares of Common Stock, Options or Convertible Securities issued in connection with sponsored research, collaboration, technology license, development, OEM, marketing or other similar agreements or strategic partnerships approved by the Board of Directors of the Corporation, including the approval of at least one Series B Director; or

(viii) shares of Voting Preferred Stock issued pursuant to the conversion of Nonvoting Preferred Stock or shares of Nonvoting Preferred Stock issued pursuant to the conversion of Voting Preferred Stock, in each case, including any shares of Common Stock deemed to be issuable upon such conversion.

4.4.2 No Adjustment of Conversion Price. No adjustment in the Conversion Price of any series of Preferred Stock shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from a majority of the then outstanding shares of such series of Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

4.4.3 Deemed Issue of Additional Shares of Common Stock.

(a) If the Corporation at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to a Conversion Price pursuant to the terms of Section 4.4.4, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Conversion Price as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this clause (b) shall have the effect of increasing the applicable Conversion Price to an amount which exceeds the lower of (i) the applicable Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the applicable Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities, but including any amendment thereto if such amendment was not made in consideration for additional value to the Corporation pursuant to the definition of "**Exempted Securities**"), the issuance of which did not result in an adjustment to a Conversion Price pursuant to the terms of Section 4.4.4 (either because the consideration per share (determined pursuant to Section 4.4.5) of the Additional Shares of Common Stock subject thereto was equal to or greater than such Conversion Price then in effect, or because such Option or Convertible Security was issued before the Original Issue Date), are revised after the Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Section 4.4.3(a)) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to a Conversion Price pursuant to the terms of Section 4.4.4, such Conversion Price shall be readjusted to such Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to such Conversion Price provided for in this Section 4.4.3 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Section 4.4.3). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to such Conversion Price that would result under the terms of this Section 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to such Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time after the Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Section 4.4.3), without consideration or for a consideration per share less than a Conversion Price in effect immediately prior to such issuance or deemed issuance, then such Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CP_2 = CP_1 * (A + B) + (A + C).$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) "CP_2" shall mean the applicable Conversion Price in effect immediately after such issuance or deemed issuance of Additional Shares of Common Stock

(b) "CP_1" shall mean the applicable Conversion Price in effect immediately prior to such issuance or deemed issuance of Additional Shares of Common Stock;

(c) "A" shall mean the number of shares of Common Stock outstanding immediately prior to such issuance or deemed issuance of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issuance or deemed issuance or upon conversion or exchange of Convertible Securities (including the Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(d) "B" shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued or deemed issued at a price per share equal to CPI (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CPI); and

(e) "C" shall mean the number of such Additional Shares of Common Stock issued in such transaction.

4.4.5 Determination of Consideration. For purposes of this Section 4.4, the consideration received by the Corporation for the issuance or deemed issuance of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property: Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors of the Corporation; and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board of Directors of the Corporation.

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Section 4.4.3, relating to Options and Convertible Securities, shall be determined by dividing:

(i) The total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

4.4.6 Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to a Conversion Price pursuant to the terms of Section 4.4.4, and such issuance dates occur within a period of no more than ninety (90) days from the first such issuance to the final such issuance, then, upon the final such issuance, such Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

4.5 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Original Issue Date effect a subdivision of the outstanding Common Stock, each Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Original Issue Date combine the outstanding shares of Common Stock, each Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this Section 4.5 shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.6 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event each Conversion Price in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the applicable Conversion Price then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issuance or deemed issuance or upon conversion or exchange of Convertible Securities (including the Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue), and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issuance or deemed issuance or upon conversion or exchange of Convertible Securities (including the Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue), plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, each applicable Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter each such Conversion Price shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the holders of a series of Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of such series of Preferred Stock had been converted into Common Stock on the date of such event.

4.7 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of Section 1 do not apply to such dividend or distribution, then and in each such event the holders of Preferred Stock shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

4.8 Adjustment for Merger or Reorganization. etc. Subject to the provisions of Section 2.3, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Sections 4.4, 4.6 or 4.7, then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of Conversion Prices) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Preferred Stock. For the avoidance of doubt, nothing in this Section 4.8 shall be construed as preventing the holders of Preferred Stock from seeking any appraisal rights to which they are otherwise entitled under the General Corporation Law in connection with a merger triggering an adjustment hereunder, nor shall this Section 4.8 be deemed conclusive evidence of the fair value of the shares of Preferred Stock in any such appraisal proceeding.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than ten (10) days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of the applicable series of Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of shares of any series of Preferred Stock (but in any event not later than ten (10) days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Conversion Price then in effect with respect to such series of Preferred Stock, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of such series of Preferred Stock. Notwithstanding anything to the contrary herein, in the event that any adjustment to a Conversion Price can be made pursuant to multiple provisions of this Subsection 4, such adjustment shall be made pursuant to the provision of this Subsection 4 which results in the greatest benefit to the holders of the applicable class or series of Preferred Stock.

4.10 Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Preferred Stock and the Common Stock. Such notice shall be sent at least ten (10) days prior to the record date or effective date for the event specified in such notice.

5. Mandatory Conversion.

5.1 Trigger Events. Upon either (a) immediately prior to the closing of the sale of shares of Common Stock to the public at a price of at least $3.76591 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Common Stock) in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act, resulting in at least $75,000,000 of proceeds, net of the underwriting discount and commissions, to the Corporation and in connection with such offering the Common Stock is listed for trading on the Nasdaq Stock Market's National Market, the New York Stock Exchange or another exchange or marketplace approved the Board of Directors ("**Qualified Public Offering**"), or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the Requisite Holders and the Requisite Series C Holders (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "**Mandatory Conversion Time**"), (i) all outstanding shares of Preferred Stock shall automatically be converted into shares of Class A Common Stock (provided that, a holder of shares of Preferred Stock may elect, upon written notice to the Corporation (delivered as provided in Section 4.3.1)) at least seven (7) days prior to a Qualified Public Offering, to have all or a portion of its shares of Preferred Stock automatically convert into shares of Class B Common Stock), in each case, at the then effective conversion rate as calculated pursuant to Section 4.1.3 (which, with respect to any conversion into Class B Common Stock, may be effective, at such holder's election, immediately prior to the effectiveness of the registration statement for such Qualified Public Offering) and (ii) such shares may not be reissued by the Corporation. Notwithstanding the foregoing, in the event any holder fails to timely deliver notice of the conversion of Preferred Stock into Class B Common Stock, all of the Preferred Stock held by such holder shall be converted into shares of Class A Common Stock. Notwithstanding anything to the contrary in this Section 5.1, if any holder of shares of Preferred Stock elects or is required to convert any such shares into Common Stock pursuant to this Section 5.1 or otherwise, and if such conversion would require that holder or its ultimate parent entity (as that term is defined in the HSR Act) to make any filings under the HSR Act, then such conversion will not become effective until all applicable waiting periods have expired with respect to such filings.

5.2 Mandatory Conversion upon Transfer. Upon transfer of any share of Nonvoting Preferred Stock by a stockholder, such share shall automatically convert into Voting Preferred Stock in the hands of a transferee that is: (A) the Corporation or an affiliate of the Corporation; or (B) a third party transferee that is not an affiliate of such stockholder, but only if (i) such transfer is in a widespread public distribution or (ii) the transferee would control a majority of the Voting Stock (determined on an as-converted basis) of the Corporation without accounting for any transfer from such stockholder.

5.3 Procedural Requirements. All holders of record of shares of Preferred Stock shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time (except with respect to mandatory conversion triggered by events described in Section 5.1(a), in which case such notice shall be delivered at least ten (10) business days in advance of the filing of a registration statement with respect to the Qualified Public Offering). Upon receipt of such notice, unless the conversion would be subject to a filing requirement under the HSR Act, in which case the conversion will not occur until the expiration or termination of all applicable HSR Act waiting periods, each holder of shares of Preferred Stock in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Stock converted pursuant to Section 5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time or, if later, upon the expiration or termination of all waiting periods under the HSR Act applicable to such conversion (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Section 5.3. As soon as practicable after the Mandatory Conversion Time and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Preferred Stock, the Corporation shall (a) issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof and (b) pay cash as provided in Section 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

5.4 Special Mandatory Conversion.

5.4.1 Second Tranche Trigger Event. Except as otherwise provided in the Series C Stock Purchase Agreement by and among the Corporation and the purchasers party thereto dated as of the Original Issue Date, as may be amended from time to time (the "**Series C Purchase Agreement**"), in the event that any holder of shares of Series C Preferred Stock, Series C-1 Preferred Stock or its Affiliate (as defined in the Series C Purchase Agreement) becomes a Defaulting Purchaser (as defined in Series C Purchase Agreement), then each 10 shares of Series C Preferred Stock and Series C-1 Preferred Stock held by such holder shall automatically, and without any further action on the part of such holder, be converted into one share of Class A Common Stock immediately prior to the consummation of the Second Tranche Closing (as defined in Series C Purchase Agreement), effective upon, subject to, and concurrently with, the consummation of the Second Tranche Closing. Such conversion is referred to as the "**Special Mandatory Conversion.**"

5.4.2 Procedural Requirements. Upon the Special Mandatory Conversion, each holder of shares of Series C Preferred Stock and/or Series C-1 Preferred Stock converted pursuant to Section 5.4.1 shall be sent written notice of the Special Mandatory Conversion and the place designated for mandatory conversion of all such shares of Series C Preferred Stock and/or Series C-1 Preferred Stock pursuant to this Section 5.4. Upon receipt of such notice, each holder of such shares of Series C Preferred Stock and/or Series C-1 Preferred Stock in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that any such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Series C Preferred Stock and Series C-1 Preferred Stock converted pursuant to Section 5.4, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the time of the Special Mandatory Conversion (notwithstanding the failure of the holder or holders thereof to surrender any certificates for such shares at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders therefor (or lost certificate affidavit and agreement), to receive the items provided for in the next sentence of this Section 5.4.2. As soon as practicable after the Special Mandatory Conversion and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Preferred Stock so converted, the Corporation shall (a) issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof and (b) pay any declared but unpaid dividends on the shares of Series C Preferred Stock and Series C-1 Preferred Stock converted. Such converted Series C Preferred Stock shall initially remain authorized and may be reissued; provided that the Corporation may later take action (without the need for stockholder action) to reduce the authorized number of such shares of Series C Preferred Stock.

6. Conversion Rights — Class B Common Stock into Class A Common Stock. Subject to the provisions of Section 7 of this Article Fourth, each holder of shares of Class B Common Stock shall have the right to convert each share of Class B Common Stock held by such holder into one (1) share of Class A Common Stock at such holder's election, at any time and from time to time, and without the payment of additional consideration by the holder thereof. Any such conversion shall be made upon written notice to the Corporation as provided in Section 4.3.1 of this Article Fourth, mutatis mutandis.

7. Certain Limitations.

The limitations set forth in this Section 7 apply notwithstanding any other provision of this Amended and Restated Certificate:

7.1 The Corporation shall not issue shares of Class B Common Stock other than upon conversion of shares of Preferred Stock.

7.2 At any time following the Corporation's registration of any class of equity securities under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (collectively, the "**Exchange Act**") the holder(s) of shares of Class B Common Stock shall not be entitled to convert a number of shares of Class B Common Stock into shares of Class A Common Stock, as applicable, in excess of that number of shares of Class A Common Stock or Preferred Stock which, upon giving effect of immediately prior to such conversion, would cause the holder(s) thereof to (i) beneficially own (for purposes of Section 13(d) of the Exchange Act when aggregated with affiliates with whom such holder is required to aggregate beneficial ownership for purposes of Section 13(d) of the Exchange Act), in excess of the Maximum Percentage of the total number of issued and outstanding shares of Class A Common Stock (including shares of Class A Common Stock issuable upon conversion of Preferred Stock) following such conversion or (ii) hold combined voting power of the securities of the Corporation, when aggregated with affiliates with whom such holder is required to aggregate beneficial ownership for purposes of Section 13(d) of the Exchange Act, in excess of the Maximum Percentage of the combined voting power of all securities of the Corporation then outstanding after such conversion. The "**Maximum Percentage**" means initially 4.99%, which may be increased or decreased to such other percentage as any holder of outstanding shares of Class B Common Stock may designate in writing upon 61 days' notice (delivered as provided in Section 9 below) to the Corporation, provided, however, that no holder may make such an election to change the percentage unless all holders managed by the same investment advisor as such electing holder make the same election. For purposes of this Section 7.2 beneficial ownership and whether a holder is a member of a Section 13(d) group shall be calculated and determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder.

7.3 Other than with respect to voting, the Class A Common Stock and Class B Common Stock are intended to be economically equivalent securities. Therefore, the Corporation shall not give effect to any stock split, stock dividend, stock combination or similar event affecting the Class A Common Stock or Class B Common Stock without effecting the same such stock split, stock dividend, stock combination or similar event for the Class B Common Stock or Class A Common Stock, respectively. In addition, the Corporation shall not declare, pay or set aside any dividends or distributions on shares of Class A Common Stock or Class B Common Stock unless the Corporation declares, pays or sets aside the same dividend or distribution on each share of Class B Common Stock or Class A Common Stock, provided that dividends payable in Common Stock shall be paid in the same class.

8. Redemption. The Preferred Stock shall not be redeemable at the option of the holder thereof or the Corporation.

9. Redeemed or Otherwise Acquired Shares. Any shares of Preferred Stock that are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Preferred Stock following redemption.

10. Waiver. Except as otherwise set forth herein, (a) any of the rights, powers, preferences and other terms of the Preferred Stock set forth herein may be waived on behalf of all holders of Preferred Stock by the affirmative written consent or vote of the holders that would otherwise be required to amend such right, powers, preferences, and other terms and (b) at any time more than one series of Preferred Stock is issued and outstanding, any of the rights, powers, preferences and other terms of any series of Preferred Stock set forth herein may be waived on behalf of all holders of such series of Preferred Stock by the affirmative written consent or vote of the holders of such series that would otherwise be required to amend such right, power, preference or other term.

11. Notices. Any notice required or permitted by the provisions of this Article Fourth to be given to a holder of shares of Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

FIFTH: Subject to any additional vote required by this Amended and Restated Certificate of Incorporation or Bylaws, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

SIXTH: Subject to any additional vote required by this Amended and Restated Certificate of Incorporation, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation. Each director shall be entitled to one vote on each matter presented to the Board of Directors.

SEVENTH: Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

EIGHTH: Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

NINTH: To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article Ninth to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any repeal or modification of the foregoing provisions of this Article Ninth by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

TENTH: To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Corporation (and any other persons to which General Corporation Law permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the General Corporation Law.

Any amendment, repeal or modification of the foregoing provisions of this Article Tenth shall not (a) adversely affect any right or protection of any director, officer or other agent of the Corporation existing at the time of such amendment, repeal or modification or (b) increase the liability of any director of the Corporation with respect to any acts or omissions of such director, officer or agent occurring prior to, such amendment, repeal or modification.

ELEVENTH: The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "**Excluded Opportunity**" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee, affiliate or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, the persons referred to in clauses (i) and (ii) are "**Covered Persons**"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Corporation while such Covered Person is performing services in such capacity. Any repeal or modification of this Article Eleventh will only be prospective and will not affect the rights under this Article Eleventh in effect at the time of the occurrence of any actions or omissions to act giving rise to liability. Notwithstanding anything to the contrary contained elsewhere in this Amended and Restated Certificate of Incorporation, the affirmative vote of the Requisite Holders, will be required to amend or repeal, or to adopt any provisions inconsistent with this Article Eleventh. For the avoidance of any doubt, any opportunity presented to a director in such director's capacity as a member, service provider or manager of any holder of Preferred Stock (including their respective affiliates and legal entities) need not be presented to the Corporation and any such opportunity shall be an Excluded Opportunity hereunder.

TWELFTH: Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery in the State of Delaware shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation, its directors, officers or employees arising pursuant to any provision of the General Corporation Law or the Corporation's certificate of incorporation or bylaws or (iv) any action asserting a claim against the Corporation, its directors, officers or employees governed by the internal affairs doctrine, except for, as to each of (i) through (iv) above, any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or for which the Court of Chancery does not have subject matter jurisdiction. If any provision or provisions of this Article Twelfth shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article Twelfth (including, without limitation, each portion of any sentence of this Article Twelfth containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

THIRTEENTH: For purposes of Section 500 of the California Corporations Code (to the extent applicable), in connection with any repurchase of shares of Common Stock permitted under this Amended and Restated Certificate of Incorporation from employees, officers, directors or consultants of the Corporation in connection with a termination of employment or services pursuant to agreements or arrangements approved by the Board of Directors (in addition to any other consent required under this Amended and Restated Certificate of Incorporation), such repurchase may be made without regard to any "preferential dividends arrears amount" or "preferential rights amount" (as those terms are defined in Section 500 of the California Corporations Code). Accordingly, for purposes of making any calculation under California Corporations Code Section 500 in connection with such repurchase, the amount of any "preferential dividends arrears amount" or "preferential rights amount" (as those terms are defined therein) shall be deemed to be zero (0).

* * *

3. That the foregoing amendment and restatement was approved by the holders of the requisite number of shares of this corporation in accordance with Section 228 of the General Corporation Law.

4. That this Amended and Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of this Corporation's Certificate of Incorporation, has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law.

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on March 1, 2024.

/s/ Martin Babler
Martin Babler, Chief Executive Officer

SIGNATURE PAGE TO THE
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

Exhibit 3.3

BYLAWS OF

FL2021-001, INC.

(A DELAWARE CORPORATION)

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BYLAWS
OF
FL2021-001, INC.

ARTICLE I
OFFICES

1.1 **Registered Office**. The registered office shall be in the City of Dover, County of Kent, State of Delaware.

1.2 **Offices**. The corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

2.1 **Location**. All meetings of the stockholders for the election of directors shall be held in San Francisco, CA, at such place as may be fixed from time to time by the Board of Directors, or at such other place either within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting; provided, however, that the Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211 of the Delaware General Corporations Law ("DGCL"). Meetings of stockholders for any other purpose may be held at such time and place, if any, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof, or a waiver by electronic transmission by the person entitled to notice.

2.2 **Timing**. Annual meetings of stockholders, commencing with the year 2022, shall be held at such date and time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which they shall elect by a plurality vote a Board of Directors, and transact such other business as may properly be brought before the meeting.

2.3 **Notice of Meeting**. Written notice of any stockholder meeting stating the place, if any, date and hour of the meeting, the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, shall be given to each stockholder entitled to vote at such meeting not fewer than ten (10) nor more than sixty (60) days before the date of the meeting.

2.4 **Stockholders' Records**. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address (but not the electronic address or other electronic contact information) of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the corporation. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

2.5 **Special Meetings**. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the Chief Executive Officer and shall be called by the Chief Executive Officer or secretary at the request in writing of a majority of the Board of Directors, or at the request in writing of stockholders owning at least twenty-five percent (25%) in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

2.6 **Notice of Meeting**. Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not fewer than ten (10) nor more than sixty (60) days before the date of the meeting, to each stockholder entitled to vote at such meeting. The means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting shall also be provided in the notice.

2.7 **Business Transacted at Special Meeting**. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

2.8 **Quorum; Meeting Adjournment; Presence by Remote Means**.

(a) *Quorum; Meeting Adjournment.* The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted that might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

(b) *Presence by Remote Means.* If authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication:

(i) participate in a meeting of stockholders; and

(ii) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (i) the corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (ii) the corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the corporation.

2.9 **Voting Thresholds**. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the certificate of incorporation, a different vote is required, in which case such express provision shall govern and control the decision of such question.

2.10 **Number of Votes Per Share**. Unless otherwise provided in the certificate of incorporation, each stockholder shall at every meeting of the stockholders be entitled to one vote by such stockholder or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period.

2.11 **Action by Written Consent of Stockholders; Electronic Consent; Notice of Action**.

(a) *Action by Written Consent of Stockholders.* Unless otherwise provided by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing setting forth the action so taken, is signed in a manner permitted by law by the holders of outstanding stock having not less than the number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Written stockholder consents shall bear the date of signature of each stockholder who signs the consent in the manner permitted by law and shall be delivered to the corporation as provided in subsection (b) below. No written consent shall be effective to take the action set forth therein unless, within sixty (60) days of the earliest dated consent delivered to the corporation in the manner provided above, written consents signed by a sufficient number of stockholders to take the action set forth therein are delivered to the corporation in the manner provided above.

(b) *Electronic Consent.* A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the corporation can determine (1) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder or proxyholder and (2) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. Notwithstanding the foregoing limitations on delivery, consents given by telegram, cablegram or other electronic transmission may be otherwise delivered to the principal place of business of the corporation or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded if, to the extent and in the manner provided by resolution of the Board of Directors of the corporation.

(c) *Notice of Action.* Prompt notice of any action taken pursuant to this Section 2.11 shall be provided to the stockholders in accordance with Section 228(e) of the DGCL.

ARTICLE III
DIRECTORS

3.1 **Authorized Directors**. The number of directors that shall constitute the whole Board of Directors shall be determined by resolution of the Board of Directors or by the stockholders at the annual meeting of the stockholders, except as provided in Section 3.2 of this Article, and each director elected shall hold office until his or her successor is elected and qualified. Directors need not be stockholders.

3.2 **Vacancies**. Unless otherwise provided in the corporation's certificate of incorporation, as it may be amended, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute. If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole Board of Directors (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least ten percent (10%) of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office.

3.3 **Board Authority**. The business of the corporation shall be managed by or under the direction of its Board of Directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these bylaws directed or required to be exercised or done by the stockholders.

3.4 **Location of Meetings**. The Board of Directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

3.5 **First Meeting.** The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the stockholders at the annual meeting and no notice of such meeting shall be necessary to the newly elected directors in order to legally constitute the meeting, provided a quorum shall be present. In the event of the failure of the stockholders to fix the time or place of such first meeting of the newly elected Board of Directors, or in the event such meeting is not held at the time and place so fixed by the stockholders, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

3.6 **Regular Meetings**. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors.

3.7 **Special Meetings**. Special meetings of the Board of Directors may be called by the Chief Executive Officer upon notice to each director; special meetings shall be called by the Chief Executive Officer or secretary in like manner and on like notice on the written request of two (2) directors unless the Board of Directors consists of only one director, in which case special meetings shall be called by the Chief Executive Officer or secretary in like manner and on like notice on the written request of the sole director. Notice of any special meeting shall be given to each director at his or her business or residence in writing, or by telegram, facsimile transmission, telephone communication or electronic transmission (provided, with respect to electronic transmission, that the director has consented to receive the form of transmission at the address to which it is directed). If mailed, such notice shall be deemed adequately delivered when deposited in the United States mails so addressed, with postage thereon prepaid, at least five (5) days before such meeting. If by telegram, such notice shall be deemed adequately delivered when the telegram is delivered to the telegraph company at least twenty-four (24) hours before such meeting. If by facsimile transmission or other electronic transmission, such notice shall be transmitted at least twenty-four (24) hours before such meeting. If by telephone, the notice shall be given at least twelve (12) hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except for amendments to these Bylaws as provided under Section 8.1 of Article VIII hereof. A meeting may be held at any time without notice if all the directors are present (except as otherwise provided by law) or if those not present waive notice of the meeting in writing, either before or after such meeting.

3.8 **Quorum**. At all meetings of the Board of Directors, the greater of (a) a majority of the directors at any time in office, and (b) one-third of the number of directors fixed by the Board of Directors or by the stockholders pursuant to Section 3.1 of Article III hereof shall constitute a quorum for the transaction of business and any act of a majority of the directors present at any meeting at which there is a quorum shall be an act of the Board of Directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum is not present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

3.9 **Action Without a Meeting**. Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing, writings, electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee.

3.10 **Telephonic Meetings**. Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board of Directors or any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or any committee, by means of conference telephone or other means of communication by which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at the meeting.

3.11 **Committees**. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it, but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval or (ii) adopting, amending or repealing any provision of these bylaws.

3.12 **Minutes of Meetings**. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

3.13 **Compensation of Directors**. Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

3.14 **Removal of Directors**. Unless otherwise provided by the certificate of incorporation or these bylaws, any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of shares entitled to vote at an election of directors.

ARTICLE IV
NOTICES

4.1 **Notice**. Unless otherwise provided in these bylaws, whenever, under the provisions of the statutes or of the certificate of incorporation or of these bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his or her address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram.

4.2 **Waiver of Notice**. Whenever any notice is required to be given under the provisions of the statutes or of the certificate of incorporation or of these bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

4.3 **Electronic Notice**.

(a) *Electronic Transmission.* Without limiting the manner by which notice otherwise may be given effectively to stockholders and directors, any notice to stockholders or directors given by the corporation under any provision of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder or director to whom the notice is given. Any such consent shall be revocable by the stockholder or director by written notice to the corporation. Any such consent shall be deemed revoked if (1) the corporation is unable to deliver by electronic transmission two consecutive notices given by the corporation in accordance with such consent and (2) such inability becomes known to the secretary or an assistant secretary of the corporation or to the transfer agent, or other person responsible for the giving of notice; provided, however, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

(b) *Effective Date of Notice.* Notice given pursuant to subsection (a) of this section shall be deemed given: (1) if by facsimile telecommunication, when directed to a number at which the stockholder or director has consented to receive notice; (2) if by electronic mail, when directed to an electronic mail address at which the stockholder or director has consented to receive notice; (3) if by a posting on an electronic network together with separate notice to the stockholder or director of such specific posting, upon the later of (i) such posting and (ii) the giving of such separate notice; and (4) if by any other form of electronic transmission, when directed to the stockholder or director. An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

(c) *Form of Electronic Transmission.* For purposes of these bylaws, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

ARTICLE V
OFFICERS

5.1 **Required and Permitted Officers**. The officers of the corporation shall be chosen by the Board of Directors and shall be a Chief Executive Officer and/or a president, a treasurer and a secretary. The Board of Directors may elect from among its members a Chairman of the Board and a Vice-Chairman of the Board. The Board of Directors may also choose one or more vice-presidents, assistant secretaries and assistant treasurers. Any number of offices may be held by the same person, unless the certificate of incorporation or these bylaws otherwise provide.

5.2 **Appointment of Required Officers**. The Board of Directors at its first meeting after each annual meeting of stockholders shall choose a Chief Executive Officer and/or a president, a treasurer, and a secretary and may choose vice-presidents.

5.3 **Appointment of Permitted Officers**. The Board of Directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

5.4 **Officer Compensation**. The salaries of all officers and agents of the corporation shall be fixed by the Board of Directors.

5.5 **Term of Office; Vacancies**. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office of the corporation shall be filled by the Board of Directors.

THE CHAIRMAN OF THE BOARD

5.6 **Chairman Presides**. Unless the Board of Directors appoints a Chairman of the Board, the Chief Executive Officer shall be the Chairman of the Board, so long as the Chief Executive Officer is a director of the corporation. The Chairman of the Board shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present. He or she shall have and may exercise such powers as are, from time to time, assigned to him or her by the Board of Directors and as may be provided by law.

5.7 **Absence of Chairman**. In the absence of the Chairman of the Board, the Vice-Chairman of the Board, if any, shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present. He or she shall have and may exercise such powers as are, from time to time, assigned to him or her by the Board of Directors and as may be provided by law.

THE CHIEF EXECUTIVE OFFICER

5.8 **Powers of Chief Executive Officer**. The Chief Executive Officer shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect.

5.9 **Chief Executive Officer's Signature Authority**. The Chief Executive Officer shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation. The Chief Executive Officer may sign certificates for shares of stock of the corporation.

5.10 **Absence of Chief Executive Officer**. In the absence of the Chief Executive Officer or in the event of his or her inability or refusal to act, the president shall perform the duties of the Chief Executive Officer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer.

THE PRESIDENT AND VICE-PRESIDENTS

5.11 **Powers of President**. Unless the Board of Directors appoints a president of the corporation, the Chief Executive Officer shall be the president of the corporation. The president of the corporation shall have such powers as required by law and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

5.12 **Absence of President**. In the absence of the president or in the event of his or her inability or refusal to act, the vice-president, if any, (or in the event there be more than one vice-president, the vice-presidents in the order designated by the directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice-presidents shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

THE SECRETARY AND ASSISTANT SECRETARY

5.13 **Duties of Secretary**. The secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He or she shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the Chief Executive Officer, under whose supervision he or she shall be. He or she shall have custody of the corporate seal of the corporation and he or she, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The Board of Directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his or her signature.

5.14 **Duties of Assistant Secretary**. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the secretary or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

THE TREASURER AND ASSISTANT TREASURERS

5.15 **Duties of Treasurer**. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors.

5.16 **Disbursements and Financial Reports**. He or she shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chief Executive Officer and the Board of Directors, at its regular meetings or when the Board of Directors so requires, an account of all his or her transactions as treasurer and of the financial condition of the corporation.

5.17 **Treasurer's Bond**. If required by the Board of Directors, the treasurer shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his or her office and for the restoration to the corporation, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the corporation.

5.18 **Duties of Assistant Treasurer**. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the treasurer or in the event of the treasurer's inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

ARTICLE VI
CERTIFICATE OF STOCK

6.1 **Stock Certificates**. Every holder of stock in the corporation shall be entitled to have a certificate, signed by or in the name of the corporation by any two authorized officers of the corporation, certifying the number of shares owned by him or her in the corporation.

Certificates may be issued for partly paid shares and in such case upon the face or back of the certificates issued to represent any such partly paid shares, the total amount of the consideration to be paid therefor, and the amount paid thereon shall be specified.

If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualification, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, provided that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

6.2 **Facsimile Signatures**. Any or all of the signatures on the certificate may be facsimile. In the event that any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, the certificate may be issued by the corporation with the same effect as if such officer, transfer agent or registrar were still acting as such at the date of issue.

6.3 **Lost Certificates**. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance, require the owner of such lost, stolen or destroyed certificate or certificates, or his or her legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

6.4 **Transfer of Stock**. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

6.5 **Fixing a Record Date**. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

6.6 **Registered Stockholders**. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, to vote as such owner, to hold liable for calls and assessments a person registered on its books as the owner of shares and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII
GENERAL PROVISIONS

7.1 **Dividends**. Dividends upon the capital stock of the corporation, if any, subject to the provisions of the certificate of incorporation, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property or in shares of the capital stock, subject to the provisions of the certificate of incorporation.

7.2 **Reserve for Dividends**. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their sole discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purposes as the directors think conducive to the interests of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

7.3 **Checks**. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

7.4 **Fiscal Year**. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

7.5 **Corporate Seal**. The Board of Directors may adopt a corporate seal having inscribed thereon the name of the corporation, the year of its organization and the words “Corporate Seal, Delaware.” The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

7.6 **Indemnification**. The corporation shall, to the fullest extent authorized under the laws of the State of Delaware, as those laws may be amended and supplemented from time to time, indemnify any director made, or threatened to be made, a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of being a director of the corporation or a predecessor corporation or a director or officer of another corporation, if such person served in such position at the request of the corporation; provided, however, that the corporation shall indemnify any such director or officer in connection with a proceeding initiated by such director or officer only if such proceeding was authorized by the Board of Directors of the corporation. The indemnification provided for in this Section 7.6 shall: (i) not be deemed exclusive of any other rights to which those indemnified may be entitled under these bylaws, agreement or vote of stockholders or disinterested directors or otherwise, both as to action in their official capacities and as to action in another capacity while holding such office, (ii) continue as to a person who has ceased to be a director, and (iii) inure to the benefit of the heirs, executors and administrators of a person who has ceased to be a director. The corporation's obligation to provide indemnification under this Section 7.6 shall be offset to the extent of any other source of indemnification or any otherwise applicable insurance coverage under a policy maintained by the corporation or any other person.

Expenses incurred by a director of the corporation in defending a civil or criminal action, suit or proceeding by reason of the fact that he or she is or was a director of the corporation (or was serving at the corporation's request as a director or officer of another corporation) shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation as authorized by relevant sections of the DGCL. Notwithstanding the foregoing, the corporation shall not be required to advance such expenses to an agent who is a party to an action, suit or proceeding brought by the corporation and approved by a majority of the Board of Directors of the corporation that alleges willful misappropriation of corporate assets by such agent, disclosure of confidential information in violation of such agent's fiduciary or contractual obligations to the corporation or any other willful and deliberate breach in bad faith of such agent's duty to the corporation or its stockholders.

The foregoing provisions of this Section 7.6 shall be deemed to be a contract between the corporation and each director who serves in such capacity at any time while this bylaw is in effect, and any repeal or modification thereof shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought based in whole or in part upon any such state of facts.

The Board of Directors in its sole discretion shall have power on behalf of the corporation to indemnify any person, other than a director, made a party to any action, suit or proceeding by reason of the fact that he or she, his or her testator or intestate, is or was an officer or employee of the corporation.

To assure indemnification under this Section 7.6 of all directors, officers and employees who are determined by the corporation or otherwise to be or to have been "fiduciaries" of any employee benefit plan of the corporation that may exist from time to time, Section 145 of the DGCL shall, for the purposes of this Section 7.6, be interpreted as follows: an "other enterprise" shall be deemed to include such an employee benefit plan, including without limitation, any plan of the corporation that is governed by the Act of Congress entitled "Employee Retirement Income Security Act of 1974," as amended from time to time; the corporation shall be deemed to have requested a person to serve the corporation for purposes of Section 145 of the DGCL, as administrator of an employee benefit plan where the performance by such person of his or her duties to the corporation also imposes duties on, or otherwise involves services by, such person to the plan or participants or beneficiaries of the plan; excise taxes assessed on a person with respect to an employee benefit plan pursuant to such Act of Congress shall be deemed "fines."

7.7 **Conflicts with Certificate of Incorporation**. In the event of any conflict between the provisions of the corporation's certificate of incorporation and these bylaws, the provisions of the certificate of incorporation shall govern.

ARTICLE VIII
AMENDMENTS

8.1 These bylaws may be altered, amended or repealed, or new bylaws may be adopted by the stockholders or by the Board of Directors, when such power is conferred upon the Board of Directors by the certificate of incorporation at any regular meeting of the stockholders or of the Board of Directors or at any special meeting of the stockholders or of the Board of Directors if notice of such alteration, amendment, repeal or adoption of new bylaws be contained in the notice of such special meeting. If the power to adopt, amend or repeal bylaws is conferred upon the Board of Directors by the certificate of incorporation, it shall not divest or limit the power of the stockholders to adopt, amend or repeal bylaws.

ARTICLE IX
LOANS TO OFFICERS

9.1 The corporation may lend money to, or guarantee any obligation of or otherwise assist any officer or other employee of the corporation or of its subsidiaries, including any officer or employee who is a director of the corporation or its subsidiaries, whenever, in the judgment of the Board of Directors, such loan, guarantee or assistance may reasonably be expected to benefit the corporation. The loan, guarantee or other assistance may be with or without interest and may be unsecured or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in these bylaws shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

ARTICLE X
RECORDS AND REPORTS

10.1 The application and requirements of Section 1501 of the California General Corporation Law are hereby expressly waived to the fullest extent permitted thereunder.

[***Remainder of page intentionally left blank***]

CERTIFICATE OF SECRETARY OF

FL2021-001, INC.

January 29, 2021

The undersigned, Phyllis Solomon, hereby certifies that they are the duly elected and acting Secretary of FL2021-001, Inc. a Delaware corporation (the "Corporation"), and that the Bylaws attached hereto constitute the Bylaws of said Corporation as duly adopted by Action by Written Consent in Lieu of Organizational Meeting by the Directors on the date hereof.

/s/ Phyllis Solomon

Phyllis Solomon, Secretary

Certain information has been excluded from this agreement (indicated by "[***]") because such information is both not material and the type that the registrant customarily and actually treats as private or confidential.

AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "**Agreement**"), is made as of the 4th day of March, 2024 by and among Alumis Inc., a Delaware corporation (the "**Company**"), and each of the investors listed on **Schedule A** hereto, each of which is referred to in this Agreement as an "**Investor**".

RECITALS

WHEREAS, the Company and certain of the Investors (the "**New Investors**") are parties to that certain Series C Preferred Stock Purchase Agreement of even date herewith (the "**Purchase Agreement**");

WHEREAS, certain of the Investors (the "**Existing Investors**") hold shares of the Company's Series Seed Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock, Series B-2 Preferred Stock, and Series B-2A Preferred Stock, and possess certain rights, and are subject to certain obligations, under that certain Amended and Restated Investors' Rights Agreement dated as of May 9, 2023, by and among the Company and the Existing Investors (the "**Prior Agreement**"); and

WHEREAS, in order to induce the Company to enter into the Purchase Agreement and to induce the New Investors to invest funds in the Company pursuant to the Purchase Agreement, the undersigned Existing Investors and the Company desire to amend and restate the Prior Agreement in its entirety and the Existing Investors desire to accept the rights and obligations under this Agreement in lieu of those granted under the Prior Agreement.

NOW, THEREFORE, the Existing Investors and the Company hereby agree that the Prior Agreement is hereby amended and restated in its entirety by this Agreement, and the parties to this Agreement further agree as follows:

1. Definitions. For purposes of this Agreement:

1.1 "**Affiliate**" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including without limitation any general partner, managing member, officer, director or trustee of such Person, or any venture capital fund or registered investment company now or hereafter existing that is controlled by one or more general partners, managing members or investment adviser of, or shares the same management company or investment adviser with, such Person.

1.2 "**Board of Directors**" means the board of directors of the Company.

1.3 "**Certificate of Incorporation**" means the Company's Amended and Restated Certificate of Incorporation, as amended and/or restated from time to time.

1.4 "**CFIUS**" means the Committee on Foreign Investment in the United States.

1.5 "**CFIUS Approval**" means, following the submission of a CFIUS Filing with respect to a Potential CFIUS Transaction, the applicable Major Investor and the Company shall have received a written notification from CFIUS stating that: (i) CFIUS has concluded that the Potential CFIUS Transaction is not a "covered transaction" and not subject to review under the DPA; (ii) CFIUS has completed an assessment, review, or investigation of the Potential CFIUS Transaction under the DPA and there are no unresolved national security concerns with respect to such Potential CFIUS Transaction; or (iii) CFIUS has sent a report to the President of the United States (the "**President**") requesting the President's decision with respect to the Potential CFIUS Transaction and either (A) the President has announced a decision not to take any action to suspend, prohibit, or place any limitations on the Potential CFIUS Transaction or (B) the period under the DPA subsequent to the President's receipt of the CFIUS report during which the President may announce their decision to take action to suspend, prohibit, or place any limitations on the Potential CFIUS Transaction has expired; or (iv) CFIUS is not able to complete action under the DPA with respect to the Potential CFIUS Transaction on the basis of a Declaration, but CFIUS has not requested that Investor and Company submit a Notice and has not initiated a unilateral CFIUS review or announced an intention to do so.

1.6 "**CFIUS Filing**" means a "Declaration" or "Notice" within the meaning of the DPA.

1.7 "**Class A Common Stock**" means, collectively, shares of the Company's Class A Common Stock, par value $0.0001 per share.

1.8 "**Class B Common Stock**" means, collectively, shares of the Company's Class B Common Stock, par value $0.0001 per share.

1.9 "**Common Stock**" means, collectively, shares of the Class A Common Stock and Class B Common Stock.

1.10 "**Damages**" means any loss, damage, claim or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act, or other federal or state law, insofar as such loss, damage, claim or liability (or any action in respect thereof) arises out of or is based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law.

1.11 "**Derivative Securities**" means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly), Common Stock, including options and warrants.

1.12 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.13 "**Excluded Registration**" means (i) a registration relating to the sale or grant of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, equity incentive or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

1.14 "**FOIA Party**" means a Person that, in the reasonable determination of the Board of Directors, may be subject to, and thereby required to disclose non-public information furnished by or relating to the Company under, the Freedom of Information Act, 5 U.S.C. 552 ("**FOIA**"), any state public records access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement.

1.15 "**Form S-1**" means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC.

1.16 "**Form S-3**" means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits forward incorporation of substantial information by reference to other documents filed by the Company with the SEC.

1.17 "**GAAP**" means generally accepted accounting principles in the United States as in effect from time to time.

1.18 "**Holder**" means any holder of Registrable Securities who is a party to this Agreement.

1.19 "**Immediate Family Member**" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including, adoptive relationships, of a natural person referred to herein.

1.20 "**Initiating Holders**" means, collectively, Holders who properly initiate a registration request under this Agreement.

1.21 "**IPO**" means the Company's first underwritten public offering of its Common Stock under the Securities Act.

1.22 "**Major Investor**" means (i) any Investor that, individually or together with such Investor's Affiliates, holds at least 1,000,000 shares of Registrable Securities (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof) and (ii) Matrix Capital Management Master Fund, LP ("**Matrix**") and (iii) Baker Bros. Advisors LP and its Affiliates (collectively, "**Baker Bros.**") and (iv) Foresite Capital (as defined below); it being understood that for purposes of this Agreement, Foresite Capital Fund V, L.P. ("**Foresite Capital**"), Labs Co-Invest V, LLC and Foresite Capital Opportunity Fund V, L.P. shall be deemed Affiliates of one another, and (v) Samsara BioCapital, LP ("**Samsara**") and its Affiliates and (vi) venBio Global Strategic Fund IV, L.P. ("**venBio**") and its Affiliates.

1.23 "**New Securities**" means, collectively, equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities.

1.24 "**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.25 "**Potential CFIUS Transaction**" means any subsequent offering or issuance of New Securities pursuant to Section 4.1.

1.26 "**Preferred Director**" means any director of the Company that the holders of record of a class, classes or series of Preferred Stock are entitled to elect, exclusively and as a separate class, pursuant to the Certificate of Incorporation.

1.27 "**Preferred Stock**" shall mean, collectively, the Series C Preferred Stock, Series C-1 Preferred Stock, Series B-2 Preferred Stock, Series B-2A Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock, Series A Preferred Stock and Series Seed Preferred Stock.

1.28 "**Registrable Securities**" means (i) the Common Stock issuable or issued upon conversion of the Preferred Stock (other than any Common Stock issuable or issued pursuant to the Special Mandatory Conversion (as defined in the Certificate of Incorporation); (ii) any Common Stock, or any Common Stock issued or issuable (directly or indirectly) upon conversion and/or exercise of any other securities of the Company, acquired by the Investors after the date hereof; and (iii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clauses (i) and (ii) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Section 6.1, and excluding for purposes of Section 2, Section 5.3 and Section 6.6, any shares for which registration rights have terminated pursuant to Section 2.13 of this Agreement.

1.29 "**Registrable Securities then outstanding**" means the number of shares determined by adding the number of shares of outstanding Common Stock that are Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.30 "**Requisite Preferred Director Vote**" means the approval of the Board of Directors, including a majority of the Preferred Directors then seated.

1.31 "**Restricted Securities**" means the securities of the Company required to be notated with the legend set forth in Section 2.12(b) hereof.

1.32 "**SEC**" means the Securities and Exchange Commission.

1.33 "**SEC Rule 144**" means Rule 144 promulgated by the SEC under the Securities Act.

1.34 "**SEC Rule 145**" means Rule 145 promulgated by the SEC under the Securities Act.

1.35 "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.36 "**Selling Expenses**" means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel borne and paid by the Company as provided in Section 2.6.

1.37 "**Series A Preferred Stock**" means shares of the Company's Series A Preferred Stock, par value $0.0001 per share.

1.38 "**Series B Preferred Stock**" means shares of the Company's Series B Preferred Stock, par value $0.0001 per share.

1.39 "**Series B-1 Preferred Stock**" means shares of the Company's Series B-1 Preferred Stock, par value $0.0001 per share.

1.40 "**Series B-2 Preferred Stock**" means shares of the Company's Series B-2 Preferred Stock, par value $0.0001 per share.

1.41 "**Series B-2A Preferred Stock**" means shares of the Company's Series B-2A Preferred Stock, par value $0.0001 per share.

1.42 "**Series C Preferred Stock**" means shares of the Company's Series C Preferred Stock, par value $0.0001 per share.

1.43 "**Series C-1 Preferred Stock**" means shares of the Company's Series C-1 Preferred Stock, par value $0.0001 per share.

1.44 "**Series Seed Preferred Stock**" means shares of the Company's Series Seed Preferred Stock, par value $0.0001 per share.

2. Registration Rights. The Company covenants and agrees as follows:

2.1 Demand Registration.

(a) Form S-1 Demand. If at any time after the earlier of (i) five (5) years after the date of this Agreement or (ii) one hundred eighty (180) days after the effective date of the registration statement for the IPO, the Company receives a request from Holders of at least 40% of the Registrable Securities then outstanding that the Company file a Form S-1 registration statement with respect to at least forty percent (40%) of the Registrable Securities then outstanding (or a lesser percent if the anticipated aggregate offering price, net of Selling Expenses, would exceed $20 million), then the Company shall (x) within ten (10) days after the date such request is given, give notice thereof (the "**Demand Notice**") to all Holders other than the Initiating Holders; and (y) as soon as practicable, and in any event within sixty (60) days after the date such request is given by the Initiating Holders, file a Form S-1 registration statement under the Securities Act covering all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Sections 2.1(c) and 2.3.

(b) Form S-3 Demand. If at any time when it is eligible to use a Form S-3 registration statement, the Company receives a request from Holders of at least twenty percent (20%) of the Registrable Securities then outstanding that the Company file a Form S-3 registration statement with respect to outstanding Registrable Securities of such Holders having an anticipated aggregate offering price, net of Selling Expenses, of at least $3 million, then the Company shall (i) within ten (10) days after the date such request is given, give a Demand Notice to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within forty-five (45) days after the date such request is given by the Initiating Holders, file a Form S-3 registration statement under the Securities Act covering all Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Sections 2.1(c) and 2.3.

(c) Notwithstanding the foregoing obligations, if the Company furnishes to Holders requesting a registration pursuant to this Section 2.1 a certificate signed by the Company's chief executive officer stating that in the good faith judgment of the Board of Directors it would be materially detrimental to the Company and its stockholders for such registration statement to either become effective or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer taking action with respect to such filing for a period of not more than ninety (90) days after the request of the Initiating Holders is given; provided, however, that the Company may not invoke this right more than once in any twelve (12) month period.

(d) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Section 2.1(a): (i) during the period that is sixty (60) days before the Company's good faith estimate of the date of filing of, and ending on a date that is one hundred eighty (180) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; (ii) after the Company has effected one registration pursuant to Section 2.1(a); or (iii) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 2.1(b). The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Section 2.1(b) (i) during the period that is thirty (30) days before the Company's good faith estimate of the date of filing of, and ending on a date that is ninety (90) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or (ii) if the Company has effected two registrations pursuant to Section 2.1(b) within the twelve (12) month period immediately preceding the date of such request. A registration shall not be counted as "effected" for purposes of this Section 2.1(d) until such time as the applicable registration statement has been declared effective by the SEC, unless the Initiating Holders withdraw their request for such registration, elect not to pay the registration expenses therefor, and forfeit their right to one demand registration statement pursuant to Section 2.6, in which case such withdrawn registration statement shall be counted as "effected" for purposes of this Section 2.1(d); provided, that if such withdrawal is during a period the Company has deferred taking action pursuant to Section 2.1(c), then the Initiating Holders may withdraw their request for registration and such registration will not be counted as "effected" for purposes of this Section 2.1(d).

2.2 Company Registration. If the Company proposes to register (including, for this purpose, a registration effected by the Company for stockholders other than the Holders) any of its Common Stock under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration), the Company shall, at such time, promptly give each Holder notice of such registration at least 30 days prior to the filing of the registration statement for such offering. Upon the request of each Holder given within twenty (20) days after such notice is given by the Company, the Company shall, subject to the provisions of Section 2.3, cause to be registered all of the Registrable Securities that each such Holder has requested to be included in such registration on the same terms and conditions as the other securities proposed to be sold. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.2 before the effective date of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Section 2.6.

2.3 Underwriting Requirements.

(a) If, pursuant to Section 2.1, the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Section 2.1, and the Company shall include such information in the Demand Notice. The underwriter(s) will be selected by a majority in interest of the Initiating Holders and shall be reasonably acceptable to the Company. In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Section 2.4(e)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting; provided, however, that no Holder (or any of their assignees) shall be required to make any representations, warranties or indemnities except as they relate to such Holder's ownership of Registrable Securities, authority to enter into the underwriting agreement, and intended method of distribution, and the liability of such Holder shall be several and not joint and shall be limited to an amount equal to the net proceeds from the offering received by such Holder. Notwithstanding any other provision of this Section 2.3, if the underwriter(s) in good faith advise(s) the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holders, in proportion (as nearly as practicable) to the number of Registrable Securities owned by each Holder or in such other proportion as shall mutually be agreed to by all such selling Holders; provided, however, that the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares.

(b) In connection with any offering involving an underwriting of shares of the Company's capital stock pursuant to Section 2.2, the Company shall not be required to include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as practicable to) the number of Registrable Securities owned by each selling Holder or in such other proportions as shall mutually be agreed to by all such selling Holders. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares. Notwithstanding the foregoing, in no event shall (i) the number of Registrable Securities included in the offering be reduced unless all other securities (other than securities to be sold by the Company) are first entirely excluded from the offering, or (ii) the number of Registrable Securities included in the offering be reduced below thirty percent (30%) of the total number of securities included in such offering, unless such offering is the IPO, in which case the selling Holders may be excluded further if the underwriters make the determination described above and no other stockholder's securities are included in such offering. For purposes of the provision in this Section 2.3(b) concerning apportionment, for any selling Holder that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, stockholders, and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members, and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

(c) For purposes of Section 2.1, a registration shall not be counted as "effected" if, as a result of an exercise of the underwriter's cutback provisions in Section 2.3(a), fewer than fifty percent (50%) of the total number of Registrable Securities that Holders have requested to be included in such registration statement are actually included.

2.4 Obligations of the Company. Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to twelve (12) months or, if earlier, until the distribution contemplated in the registration statement has been completed; provided, however, that (i) such 12 month period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Common Stock (or other securities) of the Company, from selling any securities included in such registration;

(b) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement;

(c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

(d) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the underwriter(s) of such offering;

(f) use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(g) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) promptly make available for inspection by the selling Holders, any underwriter(s) participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company's officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

(i) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed; and

(j) after such registration statement becomes effective, notify each selling Holder of any request by the SEC that the Company amend or supplement such registration statement or prospectus.

In addition, the Company shall ensure that, at all times after any registration statement covering a public offering of securities of the Company under the Securities Act shall have become effective, its insider trading policy shall provide that the Company's directors may implement a trading program under Rule 10b5-1 of the Exchange Act.

2.5 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's Registrable Securities.

2.6 Expenses of Registration. All expenses (other than Selling Expenses) incurred in connection with registrations, filings, or qualifications pursuant to Section 2, including all registration, filing, and qualification fees; printers' and accounting fees; fees and disbursements of counsel for the Company; and the reasonable fees and disbursements, not to exceed $50,000, of one counsel for the selling Holders ("**Selling Holder Counsel**"), shall be borne and paid by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 2.1 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one registration pursuant to Sections 2.1(a) or 2.1(b), as the case may be; provided further that if, at the time of such withdrawal, the Holders shall have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information then the Holders shall not be required to pay any of such expenses and shall not forfeit their right to one registration pursuant to Sections 2.1(a) or 2.1(b). All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

2.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8 Indemnification. If any Registrable Securities are included in a registration statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, its Affiliates and their respective partners, members, managers, officers, directors, and stockholders; legal counsel and accountants; any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls such Holder or Affiliate or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 2.8(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, conditioned or delayed, nor shall the Company be liable for any Damages to the extent (and solely to the extent) that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of any such Holder, underwriter, controlling Person, or other aforementioned Person expressly for use in connection with such registration.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the registration statement, each Person (if any), who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), any other Holder selling securities in such registration statement, and any controlling Person of any such underwriter or other Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration; and each such selling Holder will pay to the Company and each other aforementioned Person any reasonable and documented out of pocket legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided further that in no event shall the aggregate amounts payable by any Holder by way of indemnity or contribution under Sections 2.8(b) and 2.8(d) exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 2.8 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.8, give the indemnifying party notice of the commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action. The failure to give notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Section 2.8, to the extent that such failure materially prejudices the indemnifying party's ability to defend such action. The failure to give notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.8. Neither an indemnified party nor an indemnifying party shall be liable for any settlement of any action or proceeding effected without its consent (which shall not be unreasonably withheld, conditioned or delayed). No indemnifying party shall, without the consent of the indemnified party, consent to entry of any judgment or enter into any settlement, which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect of such claim or litigation.

(d) To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either: (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Section 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Section 2.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any party hereto for which indemnification is provided under this Section 2.8, then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of a material fact, relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case (x) no Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Section 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Section 2.8(b), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of willful misconduct or fraud by such Holder.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Section 2.8 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2, and otherwise shall survive the termination of this Agreement.

2.9 Reports Under Exchange Act. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company shall:

(a) make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the registration statement filed by the Company for the IPO;

(b) use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after the Company has become subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety (90) days after the effective date of the registration statement filed by the Company for the IPO), the Securities Act, and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after the Company so qualifies); and (ii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S-3 (at any time after the Company so qualifies to use such form).

2.10 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of a majority of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that would (i) provide to such holder or prospective holder the right to include securities in any registration on other than either a pro rata basis with respect to the Registrable Securities or on a subordinate basis after all Holders have had the opportunity to include in the registration and offering all shares of Registrable Securities that they wish to so include or (ii) allow such holder or prospective holder to initiate a demand for registration of any securities held by such holder or prospective holder; provided that this limitation shall not apply to Registrable Securities acquired by any additional Investor that becomes a party to this Agreement in accordance with Section 6.9.

2.11 "Market Stand-off" Agreement. Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the registration by the Company, and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock (whether such shares or any such securities are then owned by the Holder or are thereafter acquired) or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this Section 2.11 shall apply only to the IPO, shall not apply to (a) the sale of any shares to an underwriter pursuant to an underwriting agreement; (b) any shares purchased in the IPO or thereafter; (c) transfer of any shares owned by a Holder in the Company to its Affiliates or any of the Holder's stockholders, members, partners or other equity holders; provided that the Affiliate, stockholder, member, partner or other equity holder of the Holder agrees to be bound in writing by the restrictions set forth herein; or (d) to the transfer of any shares to any trust for the direct or indirect benefit of the Holder or the immediate family of the Holder, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, and shall be applicable to the Holders only if all officers and directors are subject to the same restrictions and the Company uses commercially reasonable efforts to obtain a similar agreement from all stockholders individually owning more than one percent (1%) of the Company's outstanding Common Stock (after giving effect to conversion into Common Stock of all outstanding Preferred Stock). The underwriters in connection with such registration are intended third-party beneficiaries of this Section 2.11 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Section 2.11 or that are necessary to give further effect thereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Company stockholders that are subject to such agreements, based on the number of shares subject to such agreements.

2.12 Restrictions on Transfer.

(a) The Preferred Stock and the Registrable Securities shall not be sold, pledged, or otherwise transferred, and the Company shall not recognize and shall issue stop- transfer instructions to its transfer agent with respect to any such sale, pledge, or transfer, except upon the conditions specified in this Agreement, which conditions are intended to ensure compliance with the provisions of the Securities Act. A transferring Holder will cause any proposed purchaser, pledgee, or transferee of the Preferred Stock and the Registrable Securities held by such Holder to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement.

(b) Each certificate, instrument, or book entry representing (i) the Preferred Stock, (ii) the Registrable Securities, and (iii) any other securities issued in respect of the securities referenced in clauses (i) and (ii), upon any stock split, stock dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of Section 2.12(c)) be notated with a legend substantially in the following form:

> THE SECURITIES REPRESENTED HEREBY HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. SUCH SHARES MAY NOT BE SOLD, PLEDGED, OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR A VALID EXEMPTION FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SAID ACT.
>
> THE SECURITIES REPRESENTED HEREBY MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

The Holders consent to the Company making a notation in its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer set forth in this Section 2.12.

(c) The holder of such Restricted Securities, by acceptance of ownership thereof, agrees to comply in all respects with the provisions of this Section 2. Before any proposed sale, pledge, or transfer of any Restricted Securities, unless there is in effect a registration statement under the Securities Act covering the proposed transaction, the Holder thereof shall give notice to the Company of such Holder's intention to effect such sale, pledge, or transfer. Each such notice shall describe the manner and circumstances of the proposed sale, pledge, or transfer in sufficient detail and, if reasonably requested by the Company, shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel, who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transaction may be effected without registration under the Securities Act; (ii) a "no action" letter from the SEC to the effect that the proposed sale, pledge, or transfer of such Restricted Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto; or (iii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed sale, pledge, or transfer of the Restricted Securities may be effected without registration under the Securities Act, whereupon the Holder of such Restricted Securities shall be entitled to sell, pledge, or transfer such Restricted Securities in accordance with the terms of the notice given by the Holder to the Company. The Company will not require such a legal opinion or "no action" letter (x) in any transaction in compliance with SEC Rule 144; or (y) in any transaction in which such Holder distributes Restricted Securities to an Affiliate of such Holder for no consideration; provided that each transferee agrees in writing to be subject to the terms of this Section 2.12. Notwithstanding the foregoing, the Company shall be obligated to reissue promptly unlegended certificates or book entries at the request of any Holder thereof if the Company has completed its IPO and the Holder shall have obtained an opinion of counsel (which counsel may be counsel to the Company) to the effect that the securities proposed to be disposed of may lawfully be so disposed of without registration, qualification and legend, provided that the second legend listed above shall be removed only at such time as the Holder of such certificate is no longer subject to any restrictions hereunder. Each certificate, instrument, or book entry representing the Restricted Securities transferred as above provided shall be notated with, except if such transfer is made pursuant to SEC Rule 144, the appropriate restrictive legend set forth in Section 2.12(b), except that such certificate instrument, or book entry shall not be notated with such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act.

2.13 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Sections 2.1 or 2.2 shall terminate upon the earliest to occur of:

(a) the closing of a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation;

(b) such time after consummation of the IPO as Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such Holder's shares without limitation during a three-month period without registration;

(c) the 5th anniversary of the IPO.

3. Information and Observer Rights.

3.1 Delivery of Financial Statements. The Company shall deliver to each Major Investor, provided that the Board of Directors has not reasonably determined that such Major Investor is a competitor of the Company; and provided, further, that Matrix, Baker Bros., Foresite Capital, Samsara, venBio, and their respective Affiliates shall not be deemed to be a competitor hereunder:

(a) as soon as practicable, but in any event within one-hundred twenty (120) days after the end of each fiscal year beginning with the fiscal year ended December 31, 2022, annual audited financial statements for each fiscal year of the Company, including (i) an audited balance sheet as of the end of such year, (ii) audited statements of income and of cash flows for such year, and (iii) a statement of stockholders' equity as of the end of such year, all prepared in accordance with GAAP, audited and certified by independent public accountants of nationally or regionally recognized standing;

(b) as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of the fiscal year of the Company, unaudited statements of income and cash flows for such fiscal quarter, and an unaudited balance sheet as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, a statement showing the number of shares of each class and series of capital stock and securities convertible into or exercisable for shares of capital stock outstanding at the end of the period, the Common Stock issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Common Stock and the exchange ratio or exercise price applicable thereto, and the number of shares of issued stock options and stock options not yet issued but reserved for issuance, if any, all in sufficient detail as to permit the Major Investors to calculate their respective percentage equity ownership in the Company;

(d) as soon as practicable, but in any event thirty (30) days before the end of each fiscal year, a budget and business plan for the next fiscal year (collectively, the "**Budget**"), approved by the Board of Directors, including the Requisite Preferred Director Vote, and prepared on a monthly basis, including balance sheets, income statements, and statements of cash flow for such months and, promptly after prepared, any other budgets or revised budgets prepared by the Company;

(e) with respect to the financial statements called for in Section 3.1(a) and Section 3.1(b), an instrument executed by the President or other authorized officer of the Company certifying that such financial statements were prepared in accordance with GAAP consistently applied with prior practice for earlier periods (except as otherwise set forth in Section 3.1(b) and subject to normal adjustments recommended by the Company's independent public accountants) and fairly present the financial condition of the Company and its results of operation for the periods specified therein; and

(f) such other information relating to the financial condition, business, prospects, or corporate affairs of the Company as any Major Investor may from time to time reasonably request; provided, however, that the Company shall not be obligated under this Section 3.1 to provide information (i) that the Company reasonably determines in good faith to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in a form acceptable to the Company); or (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

Notwithstanding anything else in this Section 3.1 to the contrary, the Company may cease providing the information set forth in this Section 3.1 during the period starting with the date thirty (30) days before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's covenants under this Section 3.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

3.2 Inspection. The Company shall permit each Major Investor (and its attorneys, accountants and other representatives), at such Major Investor's expense, to visit and inspect the Company's properties; examine its books of account and records as such Major Investor may reasonably request; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company and with reasonable advance notification as may be reasonably requested by the Major Investor; provided, however, that the Company shall not be obligated pursuant to this Section 3.2 to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

3.3 Observer Rights. The Company shall invite a representative of Foresite Capital to attend all meetings of the Board of Directors and meetings of any committee of the Board of Directors (other than executive sessions of such meetings) in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, however, that such representative shall agree to hold in confidence and trust respect to all information so provided; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could (x) adversely affect the attorney-client privilege between the Company and its counsel, (y) result in the disclosure of trade secrets or (z) result in a conflict of interest.

3.4 Termination of Information and Observer Rights. The covenants set forth in Section 3.1, Section 3.2, and Section 3.3 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon the closing of a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation, whichever event occurs first.

3.5 Confidentiality. Each Investor agrees that such Investor will keep confidential and will not disclose or divulge for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 3.5 by such Investor), (b) is or has been independently developed or conceived by such Investor without use of the Company's confidential information, or (c) is or has been made known or disclosed to such Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that an Investor may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective purchaser of any Registrable Securities from such Investor, if such prospective purchaser agrees to be bound by the provisions of this Section 3.5; (iii) to any existing or prospective Affiliate, partner, member, stockholder, or wholly owned subsidiary of such Investor in the ordinary course of business, provided that such Investor informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information; (iv) to the extent required in connection with any routine or periodic examination or similar process by any regulatory or self-regulatory body or authority not specifically directed at the Company or the confidential information obtained from the Company pursuant to the terms of the Agreement, including, without limitation, quarterly or annual reports or (v) as may otherwise be required by law, regulation, rule, court order or subpoena, provided that such Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

4. Rights to Future Stock Issuances.

4.1 Right of First Offer. Subject to the terms and conditions of this Section 4.1 and applicable securities laws, if the Company proposes to offer or sell any New Securities, the Company shall first offer such New Securities to each Major Investor. A Major Investor shall be entitled to apportion the right of first offer hereby granted to it in such proportions as it deems appropriate, among (i) itself, (ii) its Affiliates and (iii) its beneficial interest holders, such as limited partners, members or any other Person having "beneficial ownership," as such term is defined in Rule 13d-3 promulgated under the Exchange Act, of such Major Investor ("**Investor Beneficial Owners**"); provided that each such Affiliate or Investor Beneficial Owner (x) is not a competitor of the Company or FOIA Party, unless such party's purchase of New Securities is otherwise consented to by the Board of Directors, (y) agrees to enter into this Agreement and each of the Amended and Restated Voting Agreement and the Amended and Restated Right of First Refusal and Co-Sale Agreement of even date herewith among the Company, the Investors and the other parties named therein, as an "**Investor**" under each such agreement (provided that any competitor of the Company or FOIA Party shall not be entitled to any rights as a Major Investor under Sections 3.1, 3.2 and 4.1 hereof), and (z) agrees to purchase at least such number of New Securities as are allocable hereunder to the Major Investor holding the fewest number of shares of Preferred Stock and any other Derivative Securities. Notwithstanding the foregoing, Matrix, Baker Bros., Foresite Capital, Samsara, venBio, and their respective Affiliates shall not be deemed a competitor for the purposes hereunder.

(a) The Company shall give written notice (the "**Offer Notice**") to each Major Investor, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By notification to the Company within twenty (20) days after the Offer Notice is given, each Major Investor may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals the proportion that the Common Stock then held by such Major Investor (including all shares of Common Stock then issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held by such Major Investor) bears to the total Common Stock of the Company then outstanding (assuming full conversion and/or exercise, as applicable, of all Preferred Stock and any other Derivative Securities then outstanding). At the expiration of such twenty (20) day period, the Company shall promptly notify each Major Investor that elects to purchase or acquire all the shares available to it (each, a "**Fully Exercising Investor**") of any other Major Investor's failure to do likewise. During the ten (10) day period commencing after the Company has given such notice, each Fully Exercising Investor may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the New Securities for which Major Investors were entitled to subscribe but that were not subscribed for by the Major Investors which is equal to the proportion that the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of Preferred Stock and any other Derivative Securities then held, by such Fully Exercising Investor bears to the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held, by all Fully Exercising Investors who wish to purchase such unsubscribed shares. The closing of any sale pursuant to this Section 4.1(b) shall occur within the later of ninety (90) days of the date that the Offer Notice is given and the date of initial sale of New Securities pursuant to Section 4.1(c).

(c) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Section 4.1(b), the Company may, during the ninety (90) day period following the expiration of the periods provided in Section 4.1(b), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Major Investors in accordance with this Section 4.1.

(d) The right of first offer in this Section 4.1 shall not be applicable to (i) Exempted Securities (as defined in the Certificate of Incorporation); (ii) shares of Common Stock issued in the IPO; and (iii) the issuance of shares of Series C Preferred Stock and/or Series C-1 Preferred Stock pursuant to the Purchase Agreement. In addition to the foregoing, the right of first offer in this Section 4.1 shall not be applicable with respect to any Major Investor in any subsequent offering of New Securities if (x) (A) at the time of such offering, the Major Investor is not an "accredited investor," as that term is then defined in Rule 501(a) of the Securities Act and (B) such offering of New Securities is otherwise being offered only to accredited investors or (y) issuing New Securities to such Major Investor would constitute a "covered transaction" pursuant to the DPA requiring a CFIUS Filing, unless either (A) such Major Investor agrees to pay the Company's reasonable attorneys' fees and other costs associated with such CFIUS Filing, including but not limited to fees and costs associated with the preparation, submission, and assessment of a CFIUS Declaration, the preparation, submission, and review and investigation of a CFIUS Notice, and any filing fees payable to CFIUS in connection with the submission of a CFIUS Notice, or (B) the Board of Directors waives such requirement set forth in clause (A).

4.2 Termination. The covenants set forth in Section 4.1 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon the closing of a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation, whichever event occurs first.

5. Additional Covenants.

5.1 Insurance. The Company shall maintain Directors and Officers liability insurance, from financially sound and reputable insurers, in an amount and on terms and conditions satisfactory to the Board of Directors, until such time as the Board of Directors, including the Requisite Preferred Director Vote, determines that such insurance should be discontinued. The Director and Officer's liability insurance shall not be cancelable by the Company without prior approval by the Board of Directors, including the Requisite Preferred Director Vote. Notwithstanding any other provision of this Section 5.1 to the contrary, the Company shall not cease to maintain a Directors and Officers liability insurance policy in an amount satisfactory to the Board of Directors until such time as the Board of Directors, including the Requisite Preferred Director Vote, determines otherwise.

5.2 Employee Agreements. The Company will cause (i) each Person now or hereafter employed by it or by any subsidiary (or engaged by the Company or any subsidiary as a consultant/independent contractor) with access to confidential information and/or trade secrets to enter into a nondisclosure and proprietary rights assignment agreement in a form approved by the Requisite Preferred Director Vote. In addition, the Company shall not amend, modify, terminate, waive, or otherwise alter, in whole or in part, any of the above-referenced agreements or any restricted stock agreement between the Company and any employee, without the unanimous consent of the Board of Directors.

5.3 Employee Stock. Unless otherwise approved by the Board of Directors, all employees and consultants of the Company who purchase, receive options to purchase, or receive awards of shares of the Company's capital stock after the date hereof shall be required to execute restricted stock or option agreements, as applicable, providing for (i) vesting of shares over a four (4) year period, with the first twenty-five percent (25%) of such shares vesting (A) in the case of new employees and consultants of the Company, following twelve (12) months of continued employment or service and (B) in the case of existing employees and consultants of the Company, following twelve (12) months of the grant date, and the remaining shares vesting in equal monthly installments over the following thirty-six (36) months, and (ii) a market stand-off provision substantially similar to that in Section 2.11. Without the prior approval by the Board of Directors, the Company shall not amend, modify, terminate, waive or otherwise alter, in whole or in part, any stock purchase, stock restriction or option agreement with any existing employee or service provider if such amendment would cause it to be inconsistent with this Section 5.3. In addition, unless otherwise approved by the Board of Directors, the Company shall retain (and not waive) a "right of first refusal" on employee transfers until the Company's IPO and shall have the right to repurchase unvested shares at cost upon termination of employment of a holder of restricted stock. Without the prior written consent of a majority of the Registrable Securities and Baker Bros. for as long as it holds any Registrable Securities, the Company shall not at any time (including following the IPO), either directly or indirectly or by amendment, merger, consolidation or otherwise, authorize, approve, or adopt any "evergreen" option plan or other equity incentive plan of the Company or any of its subsidiaries pursuant to which the number of shares of Common Stock of the Company available for equity awards thereunder would increase automatically (without further stockholder approval) on an annual basis by an amount that exceeds 4% of the total number of shares of Common Stock then issued and outstanding (calculated on a fully diluted basis).

5.4 Board Matters. Unless otherwise determined by the vote of a majority of the directors then in office, the Board of Directors shall meet at least quarterly in accordance with an agreed-upon schedule. The Company shall reimburse the nonemployee directors for all reasonable out-of-pocket travel expenses incurred (consistent with the Company's travel policy) in connection with attending meetings of the Board of Directors. Each non-employee director shall be entitled in such person's discretion to be a member of any committee of the Board of Directors.

5.5 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as in effect immediately before such transaction, whether such obligations are contained in the Company's Bylaws, the Certificate of Incorporation, or elsewhere, as the case may be.

5.6 Indemnification Matters. The Company hereby acknowledges that one (1) or more of the directors nominated to serve on the Board of Directors by the Investors (each an "**Investor Director**") may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more of the Investors and certain of their Affiliates (collectively, the "**Investor Indemnitors**"). The Company hereby agrees (a) that it is the indemnitor of first resort (*i.e.*, its obligations to any such Investor Director are primary and any obligation of the Investor Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Investor Director are secondary), (b) that it shall be required to advance the full amount of expenses incurred by such Investor Director and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of any such Investor Director to the extent legally permitted and as required by the Company's Certificate of Incorporation or Bylaws of the Company (or any agreement between the Company and such Investor Director), without regard to any rights such Investor Director may have against the Investor Indemnitors, and, (c) that it irrevocably waives, relinquishes and releases the Investor Indemnitors from any and all claims against the Investor Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Investor Indemnitors on behalf of any such Investor Director with respect to any claim for which such Investor Director has sought indemnification from the Company shall affect the foregoing and the Investor Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Investor Director against the Company. The Investor Directors and the Investor Indemnitors are intended third-party beneficiaries of this Section 5.6 and shall have the right, power and authority to enforce the provisions of this Section 5.6 as though they were a party to this Agreement.

5.7 Right to Conduct Activities. The Company hereby agrees and acknowledges that Alexandria Venture Investments, LLC (together with its Affiliates), Matrix (together with its Affiliates), Baker Bros. (together with its Affiliates), Foresite Capital (together with its Affiliates), HBM Healthcare Investments (Cayman) Ltd. ("**HBM**") (together with its Affiliates), Samsara (together with its Affiliates) and venBio (together with its Affiliates) (collectively, the "**Professional Investors**") are professional investment organizations, and as such reviews the business plans and related proprietary information of many enterprises, some of which may compete directly or indirectly with the Company's business (as currently conducted or as currently propose to be conducted). Nothing in this Agreement shall preclude or in any way restrict the Professional Investors from evaluating or purchasing securities, including publicly traded securities, of a particular enterprise, or investing or participating in any particular enterprise whether or not such enterprise has products or services that compete with those of the Company; and the Company hereby agrees that, to the extent permitted under applicable law, the Professional Investors shall not be liable to the Company for any claim arising out of, or based upon, (i) the investment by any Professional Investor in any entity competitive with the Company, or (ii) actions taken by any partner, officer, employee or other representative of any Professional Investor to assist any such competitive company, whether or not such action was taken as a member of the board of directors of such competitive company or otherwise, and whether or not such action has a detrimental effect on the Company; provided, however, that the foregoing shall not relieve (x) any of the Professional Investors from liability associated with the unauthorized disclosure of the Company's confidential information obtained pursuant to this Agreement, or (y) any director or officer of the Company from any liability associated with his or her fiduciary duties to the Company.

5.8 Second Tranche Closing Option Pool Increase. Contemporaneously with and conditional upon the Second Tranche Closing (as defined in the Purchase Agreement) occurring, the Company and each Investor agree to take all actions necessary, including with respect to each Investor, executing any related stockholder consent, to amend the Stock Plan (as defined in the Purchase Agreement) to increase the number of shares of Class A Common Stock reserved to be issued thereunder by up to 3,779,118.

5.9 Termination of Covenants. The covenants set forth in this Section 5, except the last sentence of Section 5.3 and Sections 5.5 and 5.6, shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation, whichever event occurs first.

6. Miscellaneous.

6.1 Successors and Assigns. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (i) is an Affiliate of a Holder; (ii) is a Holder's Immediate Family Member or trust for the benefit of an individual Holder or one or more of such Holder's Immediate Family Members; or (iii) after such transfer, holds at least 100,000 shares of Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations); provided, however, that (x) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement, including the provisions of Section 2.11. For the purposes of determining the number of shares of Registrable Securities held by a transferee, the holdings of a transferee (1) that is an Affiliate or stockholder of a Holder; (2) who is a Holder's Immediate Family Member; or (3) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family Member shall be aggregated together and with those of the transferring Holder; provided further that all transferees who would not qualify individually for assignment of rights shall, as a condition to the applicable transfer, establish a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

6.2 Governing Law. This Agreement shall be governed by the internal law of the State of Delaware, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Delaware.

6.3 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

6.4 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

6.5 Notices.

(a) All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (i) personal delivery to the party to be notified; (ii) when sent, if sent by electronic mail or facsimile during the recipient's normal business hours, and if not sent during normal business hours, then on the recipient's next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on **Schedule A** hereto, or to such email address, facsimile number or address as maintained in the Company's records, or to the principal office of the Company and to the attention of the Chief Executive Officer, in the case of the Company, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this Section 6.5. If notice is given to the Company, a copy shall also be sent to Cooley LLP, 3 Embarcadero Center, 20th Floor, San Francisco, CA 94111- 4004, Attention: David Peinsipp and Lauren Creel. If notice is given to the Investors, a copy shall also be sent to Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, Massachusetts 02111, Attention: Edwin C. Pease, e-mail: [***]. If notice is given to Foresite Capital, a copy (which shall not constitute notice) shall also be sent to Goodwin Procter LLP, Three Embarcadero Center, 28th Floor, San Francisco, CA 94111, Attention: Mitchell S. Bloom ([***]) and Shoaib A. Ghias ([***]) If notice is given to Samsara BioCapital, LP, a copy (which shall not constitute notice) shall also be given to Fenwick & West LLP, Attn: William H. Bromfield, 401 Union Street, 5th Floor, Seattle, WA 98101. Notwithstanding any of the foregoing, with respect to HBM, only a nationally recognized courier service (such as FedEx or DHL) shall be used to effectuate the delivery of any notices pursuant to this Section 6.5, and such notice or other communication for purpose of this Agreement shall not be treated as effective or having been given if some other delivery method is utilized; provided, however, that if such notice is being sent internationally, it shall not be deemed defective if such courier does not deliver such notice on the next business day following deposit (provided that such notice shall be deemed delivered on the date of delivery by such courier service); and provided further, that HBM may agree to receive notice in some other manner set forth in this Section 6.5 by written election; and a copy (which shall not constitute notice) shall also be sent to Sidley Austin LLP, 1999 Avenue of the Stars, 17th Floor, Los Angeles, California 90067, Attention: Mehdi Khodadad.

(b) Each Investor consents to the delivery of any stockholder notice pursuant to the Delaware General Corporation Law (the "**DGCL**"), as amended or superseded from time to time, by electronic transmission pursuant to Section 232 of the DGCL (or any successor thereto) at the electronic mail address or the facsimile number as on the books of the Company. To the extent that any notice given by means of electronic transmission is returned or undeliverable for any reason, the foregoing consent shall be deemed to have been revoked until a new or corrected electronic mail address has been provided, and such attempted Electronic Notice shall be ineffective and deemed to not have been given. Each Investor agrees to promptly notify the Company of any change in such stockholder's electronic mail address, and that failure to do so shall not affect the foregoing.

6.6 Amendments and Waivers. Any term of this Agreement may be amended, modified or terminated and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and the holders of a majority of the Registrable Securities then outstanding; provided that the Company may in its sole discretion waive compliance with Section 2.12(c) (and the Company's failure to object promptly in writing after notification of a proposed assignment allegedly in violation of Section 2.12(c) shall be deemed to be a waiver); and provided further that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. Notwithstanding the foregoing, (a) this Agreement may not be amended, modified or terminated and the observance of any term hereof may not be waived with respect to the express rights or obligations of any Investor without the written consent of such Investor, unless such amendment, modification, termination, or waiver applies to the express rights or obligations of all Investors in the same fashion (it being agreed that a waiver of the provisions of Section 4 with respect to a particular transaction shall be deemed to apply to all Investors in the same fashion if such waiver does so by its terms, notwithstanding the fact that certain Investors may nonetheless, by agreement with the Company, purchase securities in such transaction); (b) Sections 3.1 and 3.2, Section 4 and any other section of this Agreement applicable to the Major Investors (including this clause (b) of this Section 6.6) may not be amended, modified, terminated or waived without the written consent of the holders of a majority of the Registrable Securities then outstanding and held by the Major Investors; (c) Subsection 1.22(ii), the second proviso of the first sentence of Section 3.1, the last sentence of Section 4.1, the first sentence of Section 5.7 and this Subsection6.6(c) may not be amended, modified, terminated, or waived (either generally or in a particular instance and either retroactively or prospectively) without the written consent of Matrix for so long as it and its Affiliates own any Registrable Securities; (d) Subsection 1.22(iii), the second proviso of the first sentence of Section 3.1, the last sentence of Section 4.1, the first sentence of Section 5.7 and this Subsection 6.6(d) may not be amended, modified, terminated, or waived (either generally or in a particular instance and either retroactively or prospectively) without the written consent of Baker Bros. for so long as it and its Affiliates own any Registrable Securities; (e) Subsection 1.22(iv), the second proviso of the first sentence of Section 3.1, the last sentence of Section 4.1, the first sentence of Section 5.7 and this Subsection 6.6(e) may not be amended, modified, terminated, or waived (either generally or in a particular instance and either retroactively or prospectively) without the written consent of Foresite Capital for so long as it and its Affiliates own any Registrable Securities; (f) Subsection 1.22(v), the second proviso of the first sentence of Section 3.1, the last sentence of Section 4.1, the first sentence of Section 5.7 and this Subsection 6.6(f) may not be amended, modified, terminated, or waived (either generally or in a particular instance and either retroactively or prospectively) without the written consent of Samsara for so long as it and its Affiliates own any Registrable Securities; and (g) Subsection 1.22(vi), the second proviso of the first sentence of Section 3.1, the last sentence of Section 4.1, the first sentence of Section 5.7 and this Subsection 6.6(g) may not be amended, modified, terminated, or waived (either generally or in a particular instance and either retroactively or prospectively) without the written consent of venBio for so long as it and its Affiliates own any Registrable Securities. Notwithstanding the foregoing, **Schedule A** hereto may be amended by the Company from time to time to add transferees of any Registrable Securities in compliance with the terms of this Agreement without the consent of the other parties; and **Schedule A** hereto may also be amended by the Company after the date of this Agreement without the consent of the other parties to add information regarding any additional Investor who becomes a party to this Agreement in accordance with Section 6.9. The Company shall give prompt notice of any amendment, modification or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, modification, termination, or waiver. Any amendment, modification, termination, or waiver effected in accordance with this Section 6.6 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision. Notwithstanding any waiver of the provisions of Section 4, in the event any Major Investor actually purchases any such New Securities in any offering by the Company, then each other Major Investor shall be permitted to participate in such offering on a pro rata basis (based on the level of participation of the Major Investor purchasing the largest portion of such Major Investor's pro rata share), in accordance with the other provisions (including notice and election periods) set forth in Section 4.

6.7 Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

6.8 Aggregation of Stock. All shares of Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliated persons may apportion such rights as among themselves in any manner they deem appropriate.

6.9 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of the Company's Preferred Stock after the date hereof, whether pursuant to the Purchase Agreement or otherwise, any purchaser of such shares of Preferred Stock may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement, and thereafter shall be deemed an "Investor" for all purposes hereunder. No action or consent by the Investors shall be required for such joinder to this Agreement by such additional Investor, so long as such additional Investor has agreed in writing to be bound by all of the obligations as an "Investor" hereunder.

6.10 Entire Agreement. This Agreement (including any Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled. Upon the effectiveness of this Agreement, the Prior Agreement shall be deemed amended and restated and superseded and replaced in its entirety by this Agreement, and shall be of no further force or effect.

6.11 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of Delaware and to the jurisdiction of the United States District Court for the District of Delaware for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of Delaware or the United States District Court for the District of Delaware, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

6.12 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

6.13 Special Mandatory Conversion. In the event that a Special Mandatory Conversion is applicable to an Investor or its Affiliates, such Investor and its Affiliates shall lose all of their rights under this Agreement with respect to the shares of Common Stock issued to such Investor and/or its Affiliates pursuant to the Special Mandatory Conversion, including, for the avoidance of doubt, the ability to consent to matters as an Investor hereunder (and the shares of Common Stock issued to such Investor and its Affiliates will be disregarded for purposes of determining whether such consent is achieved). For the avoidance of doubt, each Investor and such Investor's shares of Common Stock issued pursuant to the Special Mandatory Conversion shall remain subject to all of the obligations of such Investor hereunder following the Special Mandatory Conversion.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

ALUMIS INC.

By: */s/ Martin Babler*
Name: Martin Babler
Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

SAMSARA BIOCAPITAL, L.P.
By: Samsara BioCapital GP, LLC
Its: General Partner

By: */s/ Srinivas Akkaraju*
Name: Srinivas Akkaraju, MD, PhD
Title: Managing Director

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

VENBIO GLOBAL STRATEGIC FUND IV, L.P.
By: venBio Global Strategic GP IV, LLC
Its: General Partner

By: */s/ Richard Gaster*
Name: Richard Gaster
Title: Managing Partner

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

FORESITE CAPITAL FUND V, L.P.
By: Foresite Capital Management V, LLC
Its: General Partner

By: */s/ Dennis D. Ryan*
Name: Dennis D. Ryan
Title: Chief Financial Officer

FORESITE CAPITAL OPPORTUNITY FUND V, L.P.
By: Foresite Capital Opportunity Management V, LLC
Its: General Partner

By: */s/ Dennis D. Ryan*
Name: Dennis D. Ryan
Title: Chief Financial Officer

FORESITE LABS FUND I, L.P.
By: Foresite Capital Opportunity Management V, LLC
Its: General Partner

By: */s/ Dennis D. Ryan*
Name: Dennis D. Ryan
Title: Chief Financial Officer

FORESITE CAPITAL FUND VI, L.P.
By: Foresite Capital Management VI, LLC
Its: General Partner

By: */s/ Dennis D. Ryan*
Name: Dennis D. Ryan
Title: Chief Financial Officer

LABS CO-INVEST V, LLC

By: */s/ Dennis D. Ryan*
Name: Dennis D. Ryan
Title: Chief Financial Officer

SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT OF ALUMIS INC.
(SERIES C)

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

AYURMAYA CAPITAL MANAGEMENT FUND, LP
By: AyurMaya General Partner, LLC,
Its: General Partner

By: */s/ David Goel*
Name: David Goel
Title: Managing Member

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

BAKER BROTHERS LIFE SCIENCES, L.P.

By: BAKER BROS. ADVISORS LP,
management company and investment adviser to BAKER BROTHERS LIFE SCIENCES, L.P., pursuant to authority granted to it by Baker Brothers Life Sciences Capital, L.P., general partner to BAKER BROTHERS LIFE SCIENCES, L.P., and not as the general partner

By: */s/ Scott L. Lessing*
Scott L. Lessing
President

667, L.P.

By: BAKER BROS. ADVISORS LP,
management company and investment adviser to 667, L.P., pursuant to authority granted to it by Baker Biotech Capital, L.P., general partner to 667, L.P., and not as the general partner

By: */s/ Scott L. Lessing*
Scott L. Lessing
President

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

HBM HEALTHCARE INVESTMENTS (CAYMAN) LTD.

By: */s/ Jean-Marc LeSieur*
Name: Jean-Marc LeSieur
Title: Managing Director

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

ALEXANDRIA VENTURE INVESTMENTS, LLC, a Delaware limited liability company
By: Alexandria Real Estate Equities, Inc.,
a Maryland corporation
Its: Managing Member

By: */s/ Hilary Levin*
Name: Hilary Levin
Title: VP-Venture Counsel

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

ABG V-ALUMIS LIMITED

By: */s/ LAM Wing Cheong*
Name: LAM Wing Cheong
Title: Director

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

OMEGA FUND VII, L.P.
By: Omega Fund VII GP, L.P.
Its: General Partner
By: Omega Fund VII GP Manager, Ltd
Its: General Partner

By: */s/ Deirdre Cunnane*
Name: Deirdre Cunnane
Title: Authorized Representative

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

CORMORANT PRIVATE HEALTHCARE FUND IV, LP
By: Cormorant Private Healthcare GP IV, LLC

By: */s/ Bihua Chen*
Name: Bihua Chen
Title: Managing Member

CORMORANT PRIVATE HEALTHCARE FUND V, LP
By: Cormorant Private Healthcare GP V, LLC

By: */s/ Bihua Chen*
Name: Bihua Chen
Title: Managing Member

CORMORANT GLOBAL HEALTHCARE MASTER FUND, LP
By: Cormorant Global Healthcare GP, LLC

By: */s/ Bihua Chen*
Name: Bihua Chen
Title: Managing Member

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:
LAV FUND VI, L.P.
By: LAV GP VI, L.P.
Its: General Partner
By: LAV Corporate VI GP, Ltd.
Its: General Partner

By: */s/ Yu Luo*
Name: Yu Luo
Title: Authorized Signatory

LAV FUND VI OPPORTUNITIES, L.P.
By: LAV GP VI Opportunities, L.P.
Its: General Partner
By: LAV Corporate VI GP Opportunities, Ltd.
Its: General Partner

By: */s/ Yu Luo*
Name: Yu Luo
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

NEXTECH VII ONCOLOGY SCSP
By: Nextech VII GP S.a.r.l.
Its: General Partner

By: */s/ Ian Charoub*
Name: Ian Charoub
Title: Manager

By: */s/ Costas Constantinides*
Name: Costas Constantinides
Title: Manager

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

GC&H INVESTMENTS, L.P.

By: GC&H Investment Management, LLC
Its General Partner

By: */s/ Elzbieta Gibbons*
Name: Melissa Roque or Elzbieta Gibbons
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

G&H PARTNERS

By: */s/ Stefan J. Palmer*
Name: Stefan J. Palmer
Title: General Partner

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

SR ONE CAPITAL FUND II AGGREGATOR, LP
By: SR One Capital Partners II, LP
Its: General Partner
By: SR One Capital Management, LLC
Its: General Partner

By: */s/ Simeon George*
Name: Simeon George
Title: Managing Member

SR ONE CAPITAL OPPORTUNITIES FUND I, LP
By: SR One Capital Opportunities Partners I, LP
Its: General Partner
By: SR One Capital Management, LLC
Its: General Partner

By: */s/ Simeon George*
Name: Simeon George
Title: Managing Member

SCHEDULE A

Investors

Name and Address
Samsara BioCapital, LP 628 Middlefield Road Palo Alto, CA 94301 Email: [***]
venBio Global Strategic Fund IV, L.P. 1700 Owens Street, Suite 595 San Francisco, CA 94158 Attn: Richard Gaster Email: [***]
AyurMaya Capital Management Fund, LP 1000 Winter Street, Suite 4500 Waltham, MA 02451
Baker Brothers Life Sciences, L.P. 860 Washington St., 3rd Floor New York, NY 10014 Email: [***] With a copy to (which shall not constitute notice): Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. One Financial Center Boston, Massachusetts 02111 Attention: Edwin C. Pease Email: [***]
667, L.P. 860 Washington St., 3rd Floor New York, NY 10014 Email: [***]With a copy to (which shall not constitute notice): Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. One Financial Center Boston, Massachusetts 02111 Attention: Edwin C. Pease Email: [***]

Name and Address
Foresite Capital Fund V, L.P. 900 Larkspur Landing Circle, Suite 150 Larkspur, CA 94939 Email: [***] With a copy to (which shall not constitute notice): Goodwin Procter LLP Three Embarcadero Center 28th Floor San Francisco, CA 94111 Attention: Mitchell S. Bloom and Shoaib Ghias Email: [***]; [***]
Labs Co-Invest V, LLC 900 Larkspur Landing Circle, Suite 150 Larkspur, CA 94939 Email: [***] With a copy to (which shall not constitute notice): Goodwin Procter LLP Three Embarcadero Center 28th Floor San Francisco, CA 94111 Attention: Mitchell S. Bloom and Shoaib Ghias Email: [***]; [***]
Foresite Capital Opportunity Fund V, L.P. 900 Larkspur Landing Circle, Suite 150 Larkspur, CA 94939 Email: [***] With a copy to (which shall not constitute notice): Goodwin Procter LLP Three Embarcadero Center 28th Floor San Francisco, CA 94111 Attention: Mitchell S. Bloom and Shoaib Ghias Email: [***]; [***]
Foresite Labs Fund I, L.P. 900 Larkspur Landing Circle, Suite 150 Larkspur, CA 94939 Email: [***] With a copy to (which shall not constitute notice): Goodwin Procter LLP Three Embarcadero Center 28th Floor San Francisco, CA 94111 Attention: Mitchell S. Bloom and Shoaib Ghias Email: [***]; [***]

Name and Address
Foresite Capital Fund VI, L.P. 900 Larkspur Landing Circle, Suite 150 Larkspur, CA 94939 Email: [***] With a copy to (which shall not constitute notice): Goodwin Procter LLP Three Embarcadero Center 28th Floor San Francisco, CA 94111 Attention: Mitchell S. Bloom and Shoaib Ghias Email: [***]; [***]
June Lee
G&H Partners 550 Allerton Street Redwood City, CA 94063 Email: [***]
GC&H Investments, L.P. 3 Embarcadero Center, 20th Floor San Francisco, CA 94111 Email: [***]
Alexandria Venture Investments, LLC 26 N. Euclid Ave. Pasadena, CA 91101 Email: [***]

Name and Address
HBM Healthcare Investments (Cayman) Ltd. Governors Square, Suite #4-212-2 23 Lime Tree Bay Avenue PO Box 30852 West Bay, Grand Cayman, Cayman Islands Attention: Jean-Marc LeSieur Email: [***] *With a copy to (which shall not constitute notice):* Sidley Austin LLP 1999 Avenue of the Stars 17th Floor Los Angeles, California 90067 Attention: Mehdi Khodadad Email: [***]
ABG V-Alumis Limited c/o Rooms 2128 & 2153, 21/F, New World Tower, 16-18 Queen's Road Central, Hong Kong Attention: Charles Wong Email: [***]
Omega Fund VII, L.P. 888 Boylston St., Suite 1111 Boston, MA 02199 Attention: Deirdre Cunnane Email: [***]
Cormorant Private Healthcare Fund IV, LP 200 Clarendon Street 52nd Floor Boston, MA 02116 Attention: Neb Obradovic Email: [***]
Cormorant Private Healthcare Fund V, LP 200 Clarendon Street 52nd Floor Boston, MA 02116 Attention: Neb Obradovic Email: [***]

Name and Address
Cormorant Global Healthcare Master Fund, LP 200 Clarendon Street 52nd Floor Boston, MA 02116 Attention: Neb Obradovic Email: [***]
LAV Fund VI, L.P. Room 607, St. George's Building, 2 Ice House Street, Central, Hong Kong Email: [***]
LAV Fund VI Opportunities, L.P. Room 607, St. George's Building, 2 Ice House Street, Central, Hong Kong Email: [***]
SR One Capital Fund II Aggregator, LP 985 Old Eagle School Road, Suite 511 Wayne, PA 19087 Email: [***]
SR One Capital Opportunities Fund I, LP 985 Old Eagle School Road, Suite 511 Wayne, PA 19087 Email: [***]
Nextech VII Oncology SCSp 8 rue Lou Hemmer, L-1748, Senningerberg, Grand Duchy of Luxembourg Email: [***]
Piper Heartland Healthcare Crossover Fund I, L.P. 800 Nicollet Mall Minneapolis, MN 55402 Email: [***]

Exhibit 10.1

ALUMIS INC.

2021 STOCK PLAN,

Adopted February 2, 2021

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ALUMIS INC. 2021 STOCK PLAN

SECTION 1. ESTABLISHMENT AND PURPOSE.

The purpose of this Plan is to attract, incentivize and retain Employees, Outside Directors and Consultants through the grant of Awards. The Plan provides for the direct award or sale of Shares, the grant of Options to purchase Shares and the grant of Restricted Stock Units to acquire Shares. Options granted under the Plan may be ISOs intended to qualify under Code Section 422 or NSOs which are not intended to so qualify.

Capitalized terms are defined in Section 12.

SECTION 2. ADMINISTRATION.

(a) **Committees of the Board of Directors**. The Plan may be administered by one or more Committees. Each Committee shall consist, as required by applicable law, of one or more members of the Board of Directors who have been appointed by the Board of Directors. Each Committee shall have such authority and be responsible for such functions as the Board of Directors has assigned to it. If no Committee has been appointed, the entire Board of Directors shall administer the Plan. Any reference to the Board of Directors in the Plan or an Award Agreement shall be construed as a reference to the Committee (if any) to whom the Board of Directors has assigned a particular function.

(b) **Authority of the Board of Directors**. Subject to the provisions of the Plan, the Board of Directors shall have full authority and discretion to take any actions it deems necessary or advisable for the administration of the Plan. Notwithstanding anything to the contrary in the Plan, with respect to the terms and conditions of awards granted to Participants outside the United States, the Board of Directors may vary from the provisions of the Plan to the extent it determines it necessary and appropriate to do so; provided that it may not vary from those Plan terms requiring stockholder approval pursuant to Section 11(d) below. All decisions, interpretations and other actions of the Board of Directors shall be final and binding on all Participants and all persons deriving their rights from a Participant.

SECTION 3. ELIGIBILITY.

(a) **General Rule**. Employees, Outside Directors and Consultants shall be eligible for the grant of Awards under the Plan.[1] However, only Employees shall be eligible for the grant of ISOs.

(b) **Ten-Percent Stockholders.** A person who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company, its Parent or any of its Subsidiaries shall not be eligible for the grant of an ISO unless (i) the Exercise Price is at least 110% of the Fair Market Value of a Share on the Date of Grant and (ii) such ISO by its terms is not exercisable after the expiration of five years from the Date of Grant. For purposes of this Subsection (b), in determining stock ownership, the attribution rules of Code Section 424(d) shall be applied.

[1] Note that special considerations apply if the Company proposes to grant awards to an Employee or Consultant of a Parent company.

SECTION 4. STOCK SUBJECT TO PLAN.

(a) **Basic Limitation**. Not more than 500,000 Shares may be issued under the Plan, subject to Subsection (b) below and Section 9(a).[2] All of these Shares may be issued upon the exercise of ISOs. The Company, during the term of the Plan, shall at all times reserve and keep available sufficient Shares to satisfy the requirements of the Plan. Shares offered under the Plan may be authorized but unissued Shares or treasury Shares.

(b) **Additional Shares**. In the event that Shares previously issued under the Plan are forfeited to or repurchased by the Company due to failure to vest, such Shares shall be added to the number of Shares then available for issuance under the Plan. In the event that Shares that otherwise would have been issuable under the Plan are withheld by the Company in payment of the Purchase Price, Exercise Price or withholding taxes, such Shares shall remain available for issuance under the Plan. In the event that an outstanding Option, Restricted Stock Unit or other right for any reason expires or is canceled, the Shares allocable to the unexercised or unsettled portion of such Option, Restricted Stock Unit or other right shall remain available for issuance under the Plan. To the extent an Award is settled in cash, the cash settlement shall not reduce the number of Shares remaining available for issuance under the Plan. Notwithstanding the foregoing, in the case of ISOs, this Subsection (b) shall be subject to any limitations imposed under Section 422 of the Code and the treasury regulations thereunder.

SECTION 5. TERMS AND CONDITIONS OF AWARDS OR SALES.

(a) **Stock Grant or Purchase Agreement**. Each award of Shares under the Plan shall be evidenced by a Stock Grant Agreement between the Grantee and the Company. Each sale of Shares under the Plan (other than upon exercise of an Option) shall be evidenced by a Stock Purchase Agreement between the Purchaser and the Company. Such award or sale shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Board of Directors deems appropriate for inclusion in a Stock Grant Agreement or Stock Purchase Agreement. The provisions of the various Stock Grant Agreements and Stock Purchase Agreements entered into under the Plan need not be identical.

(b) **Duration of Offers and Nontransferability of Rights**. Any right to purchase Shares under the Plan (other than an Option) shall automatically expire if not exercised by the Purchaser within 30 days (or such other period as may be specified in the Award Agreement) after the grant of such right was communicated to the Purchaser by the Company. Such right is not transferable and may be exercised only by the Purchaser to whom such right was granted.

[2] Please refer to Exhibit A for a schedule of the initial share reserve and any subsequent increases in the reserve.

(c) **Purchase Price**. The Board of Directors shall determine the Purchase Price of Shares to be offered under the Plan at its sole discretion. The Purchase Price shall be payable in a form described in Section 8.

SECTION 6. TERMS AND CONDITIONS OF OPTIONS.

(a) **Stock Option Agreement**. Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. The Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan and that the Board of Directors deems appropriate for inclusion in a Stock Option Agreement. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

(b) **Number of Shares**. Each Stock Option Agreement shall specify the number of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with Section 9. The Stock Option Agreement shall also specify whether the Option is an ISO or an NSO.

(c) **Exercise Price**.

(i) **General**. Each Stock Option Agreement shall specify the Exercise Price, which shall be payable in a form described in Section 8. Subject to the remaining provisions of this Subsection (c), the Exercise Price shall be determined by the Board of Directors in its sole discretion.

(ii) **ISOs**. The Exercise Price of an ISO shall not be less than 100% of the Fair Market Value of a Share on the Date of Grant, and a higher percentage may be required by Section 3(b). This Subsection (c)(ii) shall not apply to an ISO granted pursuant to an assumption of, or substitution for, another incentive stock option in a manner that complies with Code Section 424(a).

(iii) **NSOs**. Except as specifically set forth in this Subsection (c)(iii), the Exercise Price of an NSO shall not be less than 100% of the Fair Market Value of a Share on the Date of Grant. This Subsection (c)(iii) shall not apply to an NSO granted to a person who is not a U.S. taxpayer on the Date of Grant or to an NSO that is intended either to be exempt from Code Section 409A as a "short-term deferral" or to comply with the requirements of Code Section 409A. In addition, this Subsection (c)(iii) shall not apply to an NSO granted pursuant to an assumption of, or substitution for, another stock option in a manner that complies with Code Section 409A.

(d) **Vesting and Exercisability**. Each Stock Option Agreement shall specify the date when all or any installment of the Option is to become vested and exercisable. No Option shall be exercisable unless the Optionee (i) has delivered an executed copy of the Stock Option Agreement to the Company or (ii) otherwise agrees to be bound by the terms of the Stock Option Agreement. The Board of Directors shall determine the vesting and exercisability provisions of the Stock Option Agreement at its sole discretion.

(e) **Basic Term**. The Stock Option Agreement shall specify the term of the Option. The term shall not exceed 10 years from the Date of Grant, and in the case of an ISO, a shorter term may be required by Section 3(b). Subject to the preceding sentence, the Board of Directors at its sole discretion shall determine when an Option is to expire.

(f) **Termination of Service (Except by Death)**. If an Optionee's Service terminates for any reason other than the Optionee's death, then the Optionee's Options shall expire on the earliest of the following dates:

(i) The expiration date determined pursuant to Subsection (e) above;

(ii) The date three months after the termination of the Optionee's Service for any reason other than Disability, or such earlier or later date as the Board of Directors may determine (but in no event earlier than 30 days after the termination of the Optionee's Service); or

(iii) The date six months after the termination of the Optionee's Service by reason of Disability, or such later date as the Board of Directors may determine.

The Optionee may exercise all or part of the Optionee's Options at any time before the expiration of such Options under the preceding sentence, but only to the extent that such Options had become exercisable before the Optionee's Service terminated (or became exercisable as a result of the termination) and the underlying Shares had vested before the Optionee's Service terminated (or vested as a result of the termination). In the event that the Optionee dies after the termination of the Optionee's Service but before the expiration of the Optionee's Options, all or part of such Options may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired such Options directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that such Options had become exercisable before the Optionee's Service terminated (or became exercisable as a result of the termination) and the underlying Shares had vested before the Optionee's Service terminated (or vested as a result of the termination). In no event will an Option, or the Shares underlying an Option, become vested and/or exercisable after termination of the Optionee's Service unless the Board of Directors takes affirmative action or unless expressly provided in a written agreement between the Company and the Optionee.

(g) **Leaves of Absence**. For purposes of Subsection (f) above, Service shall be deemed to continue while the Optionee is on a bona fide leave of absence approved by the Company in writing.

(h) **Death of Optionee**. If an Optionee dies while the Optionee is in Service, then the Optionee's Options shall expire on the earlier of the following dates:

(i) The expiration date determined pursuant to Subsection (e) above; or

(ii) The date 12 months after the Optionee's death, or such earlier or later date as the Board of Directors may determine (but in no event earlier than six months after the Optionee's death).

All or part of the Optionee's Options may be exercised at any time before the expiration of such Options under the preceding sentence by the executors or administrators of the Optionee's estate or by any person who has acquired such Options directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that such Options had become exercisable before the Optionee's death (or became exercisable as a result of the death) and the underlying Shares had vested before the Optionee's death (or vested as a result of the Optionee's death). In no event will an Option, or the Shares underlying an Option, become vested and/or exercisable after the Optionee's death unless the Board of Directors takes affirmative action or unless expressly provided in a written agreement between the Company and the Optionee.

(i) **Restrictions on Transfer of Options.** An Option shall be transferable by the Optionee only by (i) a beneficiary designation, (ii) a will or (iii) the laws of descent and distribution, except as provided in the next sentence. If the Board of Directors so provides, in a Stock Option Agreement or otherwise, an NSO may be transferable to the extent permitted by Rule 701 under the Securities Act. An ISO may be exercised during the lifetime of the Optionee only by the Optionee or by the Optionee's guardian or legal representative.

(j) **No Rights as a Stockholder**. An Optionee, or a transferee of an Optionee, shall have no rights as a stockholder with respect to any Shares covered by the Optionee's Option until such person submits a notice of exercise, pays the Exercise Price and satisfies all applicable withholding taxes pursuant to the terms of such Option.

(k) **Modification, Extension and Assumption of Options**. Within the limitations of the Plan, the Board of Directors may modify, reprice, extend or assume outstanding Options or may accept the cancellation of outstanding options (whether granted by the Company or another issuer) in return for the grant of new Options or a different type of award for the same or a different number of Shares and at the same or a different Exercise Price (if applicable). The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair the Optionee's rights or increase the Optionee's obligations under such Option; provided, however, that a modification of an Option that is otherwise favorable to the Optionee (for example, providing the Optionee with additional time to exercise the Option after termination of employment or providing for additional forms of payment) but causes the Option to lose its tax-favored status (for example, as an ISO) shall not require the consent of the Optionee.

(l) **Company's Right to Cancel Certain Options**. Any other provision of the Plan or a Stock Option Agreement notwithstanding, the Company shall have the right at any time to cancel an Option that was not granted in compliance with Rule 701 under the Securities Act. Prior to canceling such Option, the Company shall give the Optionee not less than 30 days' notice in writing. If the Company elects to cancel such Option, it shall deliver to the Optionee consideration with an aggregate value equal to the excess of (i) the Fair Market Value of the Shares subject to such Option as of the time of the cancellation over (ii) the Exercise Price of such Option. The consideration may be delivered in the form of cash or cash equivalents, in the form of Shares, or a combination of both. If the consideration would be a negative amount, such Option may be cancelled without the delivery of any consideration.

SECTION 7. TERMS AND CONDITIONS OF RESTRICTED STOCK UNITS

(a) **Restricted Stock Unit Agreement**. Each grant of Restricted Stock Units under the Plan shall be evidenced by a Restricted Stock Unit Agreement between the recipient and the Company. Such Restricted Stock Units shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan and which the Board of Directors deems appropriate for inclusion in a Restricted Stock Unit Agreement. The provisions of the various Restricted Stock Unit Agreements entered into under the Plan need not be identical.

(b) **Payment for Restricted Stock Units**. No cash consideration shall be required of the recipient in connection with the grant of Restricted Stock Units.

(c) **Vesting Conditions**. Each Restricted Stock Unit Agreement shall specify the vesting requirements applicable to the Restricted Stock Units subject thereto, which the Board of Directors shall determine in its sole discretion.

(d) **Forfeiture**. Unless a Restricted Stock Unit Agreement provides otherwise, upon termination of the recipient's Service and upon such other times specified in the Restricted Stock Unit Agreement, any unvested Restricted Stock Units shall be forfeited to the Company.

(e) **Voting and Dividend Rights**. The holders of Restricted Stock Units shall have no voting rights. Prior to settlement or forfeiture, any Restricted Stock Unit granted under the Plan may, at the discretion of the Board of Directors, carry with it a right to dividend equivalents. Such right entitles the holder to be credited with an amount equal to all cash dividends paid on one Share while the Restricted Stock Unit is outstanding. Dividend equivalents may be converted into additional Restricted Stock Units. Settlement of dividend equivalents may be made in the form of cash, in the form of Shares, or in a combination of both. Prior to distribution, any dividend equivalents that are not paid shall be subject to the same conditions and restrictions as the Restricted Stock Units to which they attach.

(f) **Form and Time of Settlement of Restricted Stock Units**. Settlement of vested Restricted Stock Units may be made in the form of (i) cash, (ii) Shares or (iii) any combination of both, as determined by the Board of Directors. The actual number of Restricted Stock Units eligible for settlement may be larger or smaller than the number included in the original award, based on predetermined performance factors. Vested Restricted Stock Units shall be settled in such manner and at such time(s) as specified in the Restricted Stock Unit Agreement. Until Restricted Stock Units are settled, the number of Shares represented by such Restricted Stock Units shall be subject to adjustment pursuant to Section 9.

(g) **Death of Recipient**. Any Restricted Stock Units that become distributable after the Participant's death shall be distributed to the Participant's estate or to any person who has acquired such Restricted Stock Units directly from the recipient by beneficiary designation, bequest or inheritance.

(h) **Creditors' Rights**. A holder of Restricted Stock Units shall have no rights other than those of a general creditor of the Company. Restricted Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Restricted Stock Unit Agreement.

(i) **Modification, Extension and Assumption of Restricted Stock Units**. Within the limitations of the Plan, the Board of Directors may modify, extend or assume outstanding restricted stock units (whether granted by the Company or a different issuer). The foregoing notwithstanding, no modification of a Restricted Stock Unit shall, without the consent of the Participant, impair the Participant's rights or increase the Participant's obligations under such Restricted Stock Unit.

(j) **Restrictions on Transfer of Restricted Stock Units**. A Restricted Stock Unit shall be transferable by the Participant only by (i) a beneficiary designation, (ii) a will or (iii) the laws of descent and distribution, except as provided in the next sentence. In addition, if the Board of Directors so provides, in a Restricted Stock Unit Agreement or otherwise, a Restricted Stock Unit shall also be transferable to the extent permitted by Rule 701 under the Securities Act.

SECTION 8. PAYMENT FOR SHARES.

(a) **General Rule**. The entire Purchase Price or Exercise Price of Shares issued under the Plan shall be payable in cash or cash equivalents at the time when such Shares are purchased, except as otherwise provided in this Section 8. In addition, the Board of Directors in its sole discretion may also permit payment through any of the methods described in (b) through (g) below.

(b) **Services Rendered**. Shares may be awarded under the Plan in consideration of services rendered to the Company, a Parent or a Subsidiary prior to the award.

(c) **Promissory Note**. All or a portion of the Purchase Price or Exercise Price (as the case may be) of Shares issued under the Plan may be paid with a promissory note. The Shares shall be pledged as security for payment of the principal amount of the promissory note and interest thereon. The interest rate payable under the terms of the promissory note shall not be less than the minimum rate (if any) required to avoid the imputation of additional interest under the Code. Subject to the foregoing, the Board of Directors in its sole discretion shall specify the term, interest rate, recourse, amortization requirements (if any) and other provisions of such note.

(d) **Surrender of Stock**. All or any part of the Exercise Price may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the Optionee. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value as of the date when the Option is exercised.

(e) **Cashless Exercise**. All or part of the Exercise Price and any withholding taxes may be paid pursuant to a cashless exercise arrangement (whether through a securities broker or otherwise) established by the Company whereby Shares subject to an Option are sold and all or part of the sale proceeds are delivered to the Company.

(f) **Net Exercise**. An Option may permit exercise through a "**net exercise**" arrangement pursuant to which the Company will reduce the number of Shares issued upon exercise by the largest whole number of Shares having an aggregate Fair Market Value (determined by the Board of Directors as of the exercise date) that does not exceed the aggregate Exercise Price or the sum of the aggregate Exercise Price and any withholding taxes (with the Company accepting from the Optionee payment of cash or cash equivalents to satisfy any remaining balance of the aggregate Exercise Price and, if applicable, any additional withholding taxes not satisfied through such reduction in Shares); provided that to the extent Shares subject to an Option are withheld in this manner, the number of Shares subject to the Option following the net exercise will be reduced by the sum of the number of Shares withheld and the number of Shares delivered to the Optionee as a result of the exercise.

(g) **Other Forms of Payment**. To the extent that an Award Agreement so provides, the Purchase Price or Exercise Price of Shares issued under the Plan may be paid in any other form permitted by the Delaware General Corporation Law, as amended.

SECTION 9. ADJUSTMENT OF SHARES.

(a) **General**. In the event of a subdivision of the outstanding Stock, a declaration of a dividend payable in Shares, a combination or consolidation of the outstanding Stock into a lesser number of Shares, a reclassification, or any other increase or decrease in the number of issued shares of Stock effected without receipt of consideration by the Company, proportionate adjustments shall automatically be made, as applicable, in each of (i) the number and kind of Shares available under Section 4, (ii) the number and kind of Shares covered by each outstanding Option, Award of Restricted Stock Units and any outstanding and unexercised right to purchase Shares that has not yet expired pursuant to Section 5(b), (iii) the Exercise Price under each outstanding Option and the Purchase Price applicable to any unexercised stock purchase right described in clause (ii) above, and (iv) any repurchase price that applies to Shares granted under the Plan pursuant to the terms of a Company repurchase right under the applicable Award Agreement. In the event of a declaration of an extraordinary dividend payable in a form other than Shares in an amount that has a material effect on the Fair Market Value of the Stock, a recapitalization, a spin-off, or a similar occurrence, the Board of Directors at its sole discretion may make appropriate adjustments in one or more of the items listed in clauses (i) through (iv) above; provided, however, that the Board of Directors shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporations Code to the extent the Company is relying on the exemption afforded thereunder with respect to an Award. No fractional Shares shall be issued under the Plan as a result of an adjustment under this Section 9(a), although the Board of Directors in its sole discretion may make a cash payment in lieu of fractional Shares.

(b) **Corporate Transactions**. In the event that the Company is a party to a merger or consolidation, or in the event of a sale of all or substantially all of the Company's stock or assets, all Shares acquired under the Plan and all Awards outstanding on the effective date of the transaction shall be treated in the manner described in the definitive transaction agreement (or, in the event the transaction does not entail a definitive agreement to which the Company is party, in the manner determined by the Board of Directors in its capacity as administrator of the Plan, with such determination having final and binding effect on all parties), which agreement or determination need not treat all Awards (or all portions of an Award) in an identical manner. The treatment specified in the transaction agreement or as determined by the Board of Directors may include (without limitation) one or more of the following with respect to each outstanding Award:

(i) The Company, the surviving corporation or a parent thereof may continue or assume the Award or substitute a comparable award for the Award (including, but not limited to, an award to acquire the same consideration paid to the holders of Shares in the transaction). For avoidance of doubt, a comparable award need not be the same type of award as the Award for which it is substituted, and, in the case of an Option, need not have the same tax-status (e.g., an NSO may be substituted for an ISO).

(ii) The cancellation of the Award and a payment to the Participant with respect to each Share subject to the portion of the Award that is vested as of the transaction date equal to the excess of (A) the value, as determined by the Board of Directors in its absolute discretion, of the property (including cash) received by the holder of a share of Stock as a result of the transaction, over (if applicable) (B) the per-Share Exercise Price of the Award (such excess, the "**Spread**"). Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving corporation or its parent having a value equal to the Spread. In addition, any escrow, indemnification, holdback, earn-out or similar provisions in the transaction agreement may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of Stock. Receipt of the payment described in this Subsection (b)(ii) may be conditioned upon the Participant acknowledging such escrow, indemnification, holdback, earn-out or other provisions on a form prescribed by the Company. If the Spread applicable to an Award is zero or a negative number, then the Award may be cancelled without making a payment to the Participant.

(iii) Even if the Spread applicable to an Option is a positive number, the Option may be cancelled without the payment of any consideration; provided that the Optionee shall be notified of such treatment and given an opportunity to exercise the Option (to the extent the Option is vested or becomes vested as of the effective date of the transaction) during a period of not less than five (5) business days preceding the effective date of the transaction, unless (A) a shorter period is required to permit a timely closing of the transaction and (B) such shorter period still offers the Optionee a reasonable opportunity to exercise the Option.

(iv) In the case of an Option: (A) suspension of the Optionee's right to exercise the Option during a limited period of time preceding the closing of the transaction if such suspension is administratively necessary to facilitate the closing of the transaction and/or (B) termination of any right the Optionee has to exercise the Option prior to vesting in the Shares subject to the Option (i.e., "**early exercise**"), such that following the closing of the transaction the Option may only be exercised to the extent it is vested.

For the avoidance of doubt, the Board of Directors has discretion to accelerate, in whole or part, the vesting and exercisability of an Award in connection with a corporate transaction covered by this Section 9(b).

(c) **Dissolution or Liquidation**. To the extent not previously exercised or settled, Options, Restricted Stock Units and other rights to purchase Shares shall terminate immediately prior to the liquidation or dissolution of the Company.

(d) **Reservation of Rights**. Except as provided in Section 7(e) or this Section 9, a Participant shall have no rights by reason of (i) any subdivision or consolidation of shares of stock of any class, (ii) the payment of any dividend or (iii) any other increase or decrease in the number of shares of stock of any class. Any issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Shares subject to an Award. The grant of an Award pursuant to the Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

SECTION 10. MISCELLANEOUS PROVISIONS.

(a) **Securities Law Requirements**. Shares shall not be issued under the Plan unless, in the opinion of counsel acceptable to the Board of Directors, the issuance and delivery of such Shares complies with (or is exempt from) all applicable requirements of law, including (without limitation) the Securities Act, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. The Company shall not be liable for a failure to issue Shares as a result of such requirements. Without limiting the foregoing, the Company may suspend the exercise of some or all outstanding Options for a period of up to 60 days in order to facilitate compliance with Securities Act Rule 701(e).

(b) **No Retention Rights**. Nothing in the Plan or in any right or Award granted under the Plan shall confer upon the Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Participant) or of the Participant, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

(c) **Treatment as Compensation**. Any compensation that an individual earns or is deemed to earn under this Plan shall not be considered a part of his or her compensation for purposes of calculating contributions, accruals or benefits under any other plan or program that is maintained or funded by the Company, a Parent or a Subsidiary.

(d) **Governing Law**. The Plan and all awards, sales and grants under the Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware (except its choice-of-law provisions), as such laws are applied to contracts entered into and performed in such State.

(e) **Conditions and Restrictions on Shares**. Shares issued under the Plan shall be subject to such forfeiture conditions, rights of repurchase, rights of first refusal, other transfer restrictions and such other terms and conditions as the Board of Directors may determine. Such conditions and restrictions shall be set forth in the applicable Award Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally. In addition, Shares issued under the Plan shall be subject to conditions and restrictions imposed either by applicable law or by Company policy, as adopted from time to time, designed to ensure compliance with applicable law or laws with which the Company determines in its sole discretion to comply including in order to maintain any statutory, regulatory or tax advantage, which (for avoidance of doubt) need not be set forth in the applicable Award Agreement.

(f) **Tax Matters**.

(i) As a condition to the award, grant, issuance, vesting, purchase, exercise, settlement or transfer of any Award, or Shares issued pursuant to any Award, granted under this Plan, the Participant shall make such arrangements as the Board of Directors may require or permit for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with such event.

(ii) Unless otherwise expressly set forth in an Award Agreement, it is intended that Awards shall be exempt from Code Section 409A, and any ambiguity in the terms of an Award Agreement and the Plan shall be interpreted consistently with this intent. To the extent an Award is not exempt from Code Section 409A (any such award, a "**409A Award**"), any ambiguity in the terms of such Award and the Plan shall be interpreted in a manner that to the maximum extent permissible supports the Award's compliance with the requirements of that statute. Notwithstanding anything to the contrary permitted under the Plan, in no event shall a modification of an Award not already subject to Code Section 409A, or any subsequent action taken with respect to such Award, be given effect if such modification or action would cause the Award to become subject to Code Section 409A unless the parties explicitly acknowledge and consent to the modification or action as one having that effect. A 409A Award shall be subject to such additional rules and requirements as specified by the Board of Directors from time to time in order for it to comply with the requirements of Code Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" to an individual who is considered a "specified employee" (as each term is defined under Code Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the Participant's separation from service or (ii) the Participant's death, but only to the extent such delay is necessary to prevent such payment from being subject to Section 409A(a)(1). In addition, if a transaction subject to Section 9(b) constitutes a payment event with respect to any 409A Award, then the transaction with respect to such award must also constitute a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Code Section 409A.

(iii) Neither the Company nor any member of the Board of Directors shall have any liability to a Participant in the event an Award held by the Participant fails to achieve its intended characterization under applicable tax law.

SECTION 11. DURATION AND AMENDMENTS; STOCKHOLDER APPROVAL.

(a) **Term of the Plan**. The Plan, as set forth herein, shall become effective on the date of its adoption by the Board of Directors, subject to approval of the Company's stockholders under Subsection (d) below. The Plan shall terminate automatically 10 years after the later of (i) the date when the Board of Directors adopted the Plan or (ii) the date when the Board of Directors approved the most recent increase in the number of Shares reserved under Section 4 that was also approved by the Company's stockholders. The Plan may be terminated on any earlier date pursuant to Subsection (b) below.

(b) **Right to Amend or Terminate the Plan**. Subject to Subsection (d) below, the Board of Directors may amend, suspend or terminate the Plan at any time and for any reason.

(c) **Effect of Amendment or Termination**. No Shares shall be issued or sold and no Award granted under the Plan after the termination thereof, except upon exercise or settlement of an Award granted under the Plan prior to such termination. Except as expressly provided in Section 6(k) above, the termination of the Plan, or any amendment thereof, shall not affect any Share previously issued or any Award previously granted under the Plan.

(d) **Stockholder Approval**. To the extent required by applicable law, the Plan will be subject to approval of the Company's stockholders within 12 months of its adoption date. An amendment of the Plan will be subject to the approval of the Company's stockholders only to the extent required by applicable laws, regulations or rules.

SECTION 12. DEFINITIONS.

(a) "**Award**" means any award granted under the Plan, including as an Option, an award of Restricted Stock Units or the grant or sale of Shares pursuant to Section 5 of the Plan.

(b) "**Award Agreement**" means a Restricted Stock Unit Agreement, Stock Grant Agreement, Stock Option Agreement or Stock Purchase Agreement or such other agreement evidencing an Award under the Plan.

(c) "**Board of Directors**" means the Board of Directors of the Company, as constituted from time to time.

(d) "**Code**" means the Internal Revenue Code of 1986, as amended.

(e) "**Committee**" means a committee of the Board of Directors, as described in Section 2(a).

(f) "**Company**" means Alumis Inc., f/k/a Esker Therapeutics, Inc., a Delaware corporation.

(g) "**Consultant**" means a person, excluding Employees and Outside Directors, who performs bona fide services for the Company, a Parent[3] or a Subsidiary as a consultant or advisor and who qualifies as a consultant or advisor under Rule 701(c)(1) of the Securities Act or under Instruction A.1.(a)(1) of Form S-8 under the Securities Act.

(h) "**Date of Grant**" means the date of grant specified in the Award Agreement, which date shall be the later of (i) the date on which the Board of Directors resolved to grant the Award or (ii) the first day of the Participant's Service.

(i) "**Disability**" means that the Optionee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment.

(j) "**Employee**" means any individual who is a common-law employee of the Company, a Parent[4]4 or a Subsidiary.

(k) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(l) "**Exercise Price**" means the amount for which one Share may be purchased upon exercise of an Option, as specified by the Board of Directors in the applicable Stock Option Agreement.

(m) "**Fair Market Value**" means the fair market value of a Share, as determined by the Board of Directors in good faith. Such determination shall be conclusive and binding on all persons.

(n) "**Grantee**" means a person to whom the Board of Directors has awarded Shares under the Plan.

(o) "**ISO**" means an Option that qualifies as an incentive stock option as described in Code Section 422(b). Notwithstanding its designation as an ISO, an Option that does not qualify as an ISO under applicable law shall be treated for all purposes as an NSO.

(p) "**NSO**" means an Option that does not qualify as an incentive stock option as described in Code Section 422(b) or 423(b).

(q) "**Option**" means an ISO or NSO granted under the Plan and entitling the holder to purchase Shares.

(r) "**Optionee**" means a person who holds an Option.

(s) "**Outside Director**" means a member of the Board of Directors who is not an Employee.

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[3] Note that special considerations apply if the Company proposes to grant awards to consultant or advisor of a Parent company.

[4] Note that special considerations apply if the Company proposes to grant awards to an Employee of a Parent company.

(t) "**Parent**" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(u) "**Participant**" means the holder of an outstanding Award.

(v) "**Plan**" means this Alumis Inc. 2021 Stock Plan.

(w) "**Purchase Price**" means the consideration for which one Share may be acquired under the Plan (other than upon exercise of an Option), as specified by the Board of Directors.

(x) "**Purchaser**" means a person to whom the Board of Directors has offered the right to purchase Shares under the Plan (other than upon exercise of an Option).

(y) "**Restricted Stock Unit**" means a bookkeeping entry representing the equivalent of one Share, as awarded under the Plan.

(z) "**Restricted Stock Unit Agreement**" means the agreement between the Company and the recipient of a Restricted Stock Unit that contains the terms, conditions and restrictions pertaining to such Restricted Stock Unit.

(aa) "**Securities Act**" means the Securities Act of 1933, as amended.

(bb) "**Service**" means service as an Employee, Outside Director or Consultant. In case of any dispute as to whether and when Service has terminated, the Board of Directors shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

(cc) "**Share**" means one share of Stock, as adjusted in accordance with Section 9 (if applicable).

(dd) "**Stock**" means the Common Stock of the Company.

(ee) "**Stock Grant Agreement**" means the agreement between the Company and a Grantee who is awarded Shares under the Plan that contains the terms, conditions and restrictions pertaining to the award of such Shares.

(ff) "**Stock Option Agreement**" means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to the Optionee's Option.

(gg) "**Stock Purchase Agreement**" means the agreement between the Company and a Purchaser who purchases Shares under the Plan that contains the terms, conditions and restrictions pertaining to the purchase of such Shares.

(hh) "**Subsidiary**" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

EXHIBIT A

SCHEDULE OF SHARES RESERVED FOR ISSUANCE UNDER THE PLAN

Date of Board Approval	Date of Stockholder Approval	Number of Shares Added	Cumulative Number of Shares
February 2, 2021	February 2, 2021	Not Applicable	500,000
March 2, 2021	March 2, 2021	3,030,000	3,530,000
September 15, 2021	September 15, 2021	6,011,000	9,541,000
December 17, 2021	December 17, 2021	23,495,929	24,450,029
May 8, 2023	May 8, 2023	4,000,000	28,450,029

Exhibit 10.2

ESKER THERAPEUTICS, INC. 2021 STOCK PLAN
NOTICE OF STOCK OPTION GRANT (INSTALLMENT EXERCISE)

The Optionee has been granted the following option to purchase shares of the Common Stock of Esker Therapeutics, Inc. (the "**Company**"):

Name of Optionee:	«Name»
Total Number of Shares:	«TotalShares»
Type of Option:	«ISO» Incentive Stock Option (ISO) «NSO» Nonstatutory Stock Option (NSO)
Exercise Price per Share:	$«PricePerShare»
Date of Grant:	«DateGrant»
Vesting Schedule/Date Exercisable:	This option shall vest and become exercisable with respect to the first «Percent»% of the Shares subject to this option when the Optionee completes «CliffPeriod» months of continuous Service beginning with the Vesting Commencement Date set forth below. This option shall vest and become exercisable with respect to an additional «Fraction»% of the Shares subject to this option when the Optionee completes each month of continuous Service thereafter.
Vesting Commencement Date:	«VestComDate»
Expiration Date: «ExpDate».	This option expires earlier if the Optionee's Service terminates earlier, as provided in Section 6 of the Stock Option Agreement, or if the Company engages in certain corporate transactions, as provided in Section 9 of the Plan.

By signing below or otherwise accepting this option in a manner acceptable to the Company, the Optionee and the Company agree that this option is granted under, and governed by the terms and conditions of, this Notice of Stock Option Grant, the 2021 Stock Plan and the Stock Option Agreement. Both of the latter documents are attached to, and made a part of, this Notice of Stock Option Grant. Capitalized terms not otherwise defined herein or in the Stock Option Agreement shall have the meanings set forth in the Plan. **Section 14 of the Stock Option Agreement includes important acknowledgements of the Optionee**.

OPTIONEE:

_____

Name: _____

ESKER THERAPEUTICS, INC.

By: _____

Name: _____

THE OPTION GRANTED PURSUANT TO THE NOTICE OF STOCK OPTION GRANT AND THIS AGREEMENT AND THE SHARES ISSUABLE UPON THE EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.

ESKER THERAPEUTICS, INC. 2021 STOCK PLAN:
STOCK OPTION AGREEMENT (INSTALLMENT EXERCISE)

SECTION 1. GRANT OF OPTION.

(a) **Option**. On the terms and conditions set forth in the Notice of Stock Option Grant, this Agreement and the Plan, the Company has granted to the Optionee on the Date of Grant the option to purchase at the Exercise Price the number of Shares set forth in the Notice of Stock Option Grant. The Exercise Price is agreed to be at least 100% of the Fair Market Value per Share on the Date of Grant (110% of Fair Market Value if this option is designated as an ISO in the Notice of Stock Option Grant and Section 3(b) of the Plan applies). This option is intended to be an ISO or an NSO, as provided in the Notice of Stock Option Grant.

(b) **$100,000 Limitation**. Even if this option is designated as an ISO in the Notice of Stock Option Grant, it shall be deemed to be an NSO to the extent (and only to the extent) required by the $100,000 annual limitation under Section 422(d) of the Code.

(c) **Stock Plan and Defined Terms**. This option is granted pursuant to the Plan, a copy of which the Optionee acknowledges having received. The provisions of the Plan are incorporated into this Agreement by this reference. Except as otherwise defined in this Agreement (including without limitation Section 15 hereof), capitalized terms shall have the meaning ascribed to such terms in the Plan.

SECTION 2. RIGHT TO EXERCISE.

(a) **Exercisability**. Subject to Subsection (b) below and the other conditions set forth in this Agreement, all or part of this option may be exercised prior to its expiration at the time or times set forth in the Notice of Stock Option Grant.

(b) **Stockholder Approval**. Any other provision of this Agreement notwithstanding, no portion of this option shall be exercisable at any time prior to the approval of the Plan by the Company's stockholders.

SECTION 3. NO TRANSFER OR ASSIGNMENT OF OPTION.

Except as otherwise provided in or pursuant to this Agreement or the Plan, this option and the rights and privileges conferred hereby shall not be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under **execution, attachment, levy or similar process.**

SECTION 4. EXERCISE PROCEDURES.

(a) **Notice of Exercise**. The Optionee or the Optionee's representative may exercise this option by: (i) signing and delivering written notice (on a form prescribed by the Company) to the Company pursuant to Section 13(c) specifying the election to exercise this option, the number of Shares for which it is being exercised and the form of payment, (ii) if requested by the Company, executing and delivering such stockholders agreements as apply to the holders of the Company's preferred stock (including, without limitation, any right of first refusal and co-sale agreement and/or voting agreement of the Company) and (iii) delivering payment, in a form permissible under Section 5, for the full amount of the Purchase Price (together with any applicable withholding taxes under Subsection (b)). In the event that this option is being exercised by the representative of the Optionee, the notice shall be accompanied by proof (satisfactory to the Company) of the representative's right to exercise this option.

(b) **Withholding Taxes**. In the event that the Company determines that it is required to withhold any tax (including without limitation any income tax, social insurance contributions, payroll tax, payment on account or other tax-related items arising in connection with the Optionee's participation in the Plan and legally applicable to the Optionee (the "**Tax-Related Items**")) as a result of the grant, vesting or exercise of this option, or as a result of the transfer of shares acquired upon exercise of this option, the Optionee, as a condition of this option, shall make arrangements satisfactory to the Company to enable it to satisfy all Tax-Related Items. The Optionee acknowledges that the responsibility for all Tax-Related Items is the Optionee's and may exceed the amount actually withheld by the Company (or its affiliate or agent).

(c) **Issuance of Shares**. After satisfying all requirements for exercise of this option, the Company shall cause to be issued one or more certificates evidencing, or electronic notation representing, the Shares for which this option has been exercised. Such Shares shall be registered (i) in the name of the person exercising this option, (ii) in the names of such person and his or her spouse as community property or as joint tenants with the right of survivorship or (iii) with the Company's consent, in the name of a revocable trust. Until the issuance of the Shares has been entered into the books and records of the Company or a duly authorized transfer agent of the Company, no right to vote, receive dividends or any other right as a stockholder will exist with respect to such Shares. The Company shall cause any certificates evidencing such Shares to be delivered to or upon the order of the person exercising this option.

SECTION 5. PAYMENT FOR STOCK.

(a) **Cash**. All or part of the Purchase Price may be paid in cash or cash equivalents or pursuant to a form of electronic funds transfer acceptable to the Company.

(b) **Surrender of Stock**. At the discretion of the Board of Directors, all or any part of the Purchase Price may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the Optionee. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value as of the date when this option is exercised.

(c) **Cashless Exercise**. All or part of the Purchase Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company. However, payment pursuant to the preceding sentence shall be permitted only if (i) Stock then is publicly traded and (ii) such payment does not violate applicable law. At the discretion of the Board of Directors, all or part of the Purchase Price and any withholding taxes may be paid pursuant to another cashless exercise arrangement established by the Company.

SECTION 6. TERM AND EXPIRATION.

(a) **Basic Term**. This option shall in any event expire on the expiration date set forth in the Notice of Stock Option Grant, which date is 10 years after the Date of Grant (five years after the Date of Grant if this option is designated as an ISO in the Notice of Stock Option Grant and Section 3(b) of the Plan applies).

(b) **Termination of Service** (**Except by Death**). If the Optionee's Service terminates for any reason other than death, then this option shall expire on the earliest of the following occasions:

(i) The expiration date determined pursuant to Subsection (a) above;

(ii) The date three months after the termination of the Optionee's Service for any reason other than Disability; or

(iii) The date six months after the termination of the Optionee's Service by reason of Disability.

The Optionee may exercise all or part of this option at any time before its expiration under the preceding sentence, but only to the extent that this option had become vested and exercisable before the Optionee's Service terminated or becomes vested and exercisable as a result of such termination. In the event that the Optionee dies after termination of Service but before the expiration of this option, all or part of this option may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option had become vested and exercisable before the Optionee's Service terminated or becomes vested and exercisable as a result of such termination. Once this option (or portion thereof) has terminated, the Optionee shall have no further rights with respect to the option (or portion thereof) or to the underlying Shares.

(c) **Death of the Optionee**. If the Optionee dies while in Service, then this option shall expire on the earlier of the following dates:

(i) The expiration date determined pursuant to Subsection (a) above; or

(ii) The date 12 months after the Optionee's death.

All or part of this option may be exercised at any time before its expiration under the preceding sentence by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option had become vested and exercisable before the Optionee's death or becomes vested and exercisable as a result of the Optionee's death. Once this option (or portion thereof) has terminated, the Optionee shall have no further rights with respect to the option (or portion thereof) or to the underlying Shares.

(d) **Additional Vesting After Termination of Service**. The period of time beginning on the date that the Optionee's Service terminates or the date that the Optionee dies while in Service and ending on the earliest of the occasions determined pursuant to Subsections (b) or (c) above, as applicable, is referred to as the "**post-termination exercise period**". To the extent this option is not fully vested and exercisable on the date the Optionee's Service terminates or the date that the Optionee dies while in Service, the Board of Directors may, during the post-termination exercise period, take action to cause this option to become vested and exercisable (in whole or in part). In no event will this option become vested or exercisable after termination of the Optionee's Service or death unless the Board of Directors takes affirmative action pursuant to the preceding sentence or unless expressly provided in a written agreement between the Company and the Optionee. In this regard, any provision of this Agreement or another agreement that provides for vesting upon an event (including, without limitation, a change in control) will be deemed to require Service through the occurrence of such event unless the agreement clearly provides otherwise.

(e) **Extension of Post-Termination Exercise Periods**. Following the date on which the Company's Stock is first listed for trading on an established securities market, if during any part of the exercise period described in Subsections (b)(ii) or (iii) or Subsection (c)(ii) above the exercise of this option would be prohibited solely because the issuance of Shares upon such exercise would violate the registration requirements under the Securities Act or a similar provision of other applicable law, then instead of terminating at the end of such prescribed period, the then-vested portion of this option will instead remain outstanding and not expire until the earlier of (i) the expiration date determined pursuant to Section 6(a) above or (ii) the date on which the then-vested portion of this option has been exercisable without violation of applicable law for the aggregate period (which need not be consecutive) after termination of the Optionee's Service specified in the applicable Subsection above.

(f) **Part-Time Employment and Leaves of Absence**. If the Optionee commences working on a part-time basis, then the Company may adjust the vesting schedule set forth in the Notice of Stock Option Grant. If the Optionee goes on a leave of absence, then, to the extent permitted by applicable law, the Company may adjust or suspend the vesting schedule set forth in the Notice of Stock Option Grant. Except as provided in the preceding sentence, Service shall be deemed to continue for any purpose under this Agreement while the Optionee is on a *bona fide* leave of absence approved by the Company in writing. Service shall be deemed to terminate when such leave ends, unless the Optionee immediately returns to active work when such leave ends.

(g) **Notice Concerning ISO Treatment**. Even if this option is designated as an ISO in the Notice of Stock Option Grant, it ceases to qualify for favorable tax treatment as an ISO to the extent that it is exercised:

(i) More than three months after the date when the Optionee ceases to be an Employee for any reason other than death or permanent and total disability (as defined in Section 22(e)(3) of the Code);

(ii) More than 12 months after the date when the Optionee ceases to be an Employee by reason of permanent and total disability (as defined in Section 22(e)(3) of the Code); or

(iii) More than three months after the date when the Optionee has been on a leave of absence for three months, unless the Optionee's reemployment rights following such leave were guaranteed by statute or by contract.

SECTION 7. RIGHT OF FIRST REFUSAL.

(a) **Right of First Refusal**. In the event that the Optionee proposes to sell, pledge or otherwise transfer to a third party any Shares acquired under this Agreement, or any interest in such Shares, the Company shall have the Right of First Refusal with respect to all (and not less than all) of such Shares. If the Optionee desires to transfer Shares acquired under this Agreement, the Optionee shall give a written Transfer Notice to the Company describing fully the proposed transfer, including the number of Shares proposed to be transferred, the proposed transfer price, the name and address of the proposed Transferee and proof satisfactory to the Company that the proposed sale or transfer will not violate any applicable federal, State or foreign securities laws. The Transfer Notice shall be signed both by the Optionee and by the proposed Transferee and must constitute a binding commitment of both parties to the transfer of the Shares. The Company shall have the right to purchase all, and not less than all, of the Shares on the terms of the proposal described in the Transfer Notice (subject, however, to any change in such terms permitted under Subsection (b) below) by delivery of a notice of exercise of the Right of First Refusal within 30 days after the date when the Transfer Notice was received by the Company.

(b) **Transfer of Shares**. If the Company fails to exercise its Right of First Refusal within 30 days after the date when it received the Transfer Notice, the Optionee may, not later than 90 days following receipt of the Transfer Notice by the Company, conclude a transfer of the Shares subject to the Transfer Notice on the terms and conditions no less favorable to the Optionee than those described in the Transfer Notice, provided that any such sale is made in compliance with applicable federal, State and foreign securities laws and not in violation of any other contractual restrictions to which the Optionee is bound. Any proposed transfer on terms and conditions less favorable than those described in the Transfer Notice, as well as any subsequent proposed transfer by the Optionee, shall again be subject to the Right of First Refusal and shall require compliance with the procedure described in Subsection (a) above. If the Company exercises its Right of First Refusal, the parties shall consummate the sale of the Shares on the terms set forth in the Transfer Notice within 60 days after the date when the Company received the Transfer Notice (or within such longer period as may have been specified in the Transfer Notice); provided, however, that in the event the Transfer Notice provided that payment for the Shares was to be made in a form other than cash or cash equivalents paid at the time of transfer, the Company shall have the option of paying for the Shares with cash or cash equivalents equal to the present value of the consideration described in the Transfer Notice.

(c) **Additional or Exchanged Securities and Property**. In the event of a merger or consolidation of the Company, a sale of all or substantially all of the Company's stock or assets, any other corporate reorganization, a stock split, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities, any securities or other property (including cash or cash equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Shares subject to this Section 7 shall immediately be subject to the Right of First Refusal. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class of the Shares subject to this Section 7.

(d) **Termination of Right of First Refusal**. Any other provision of this Section 7 notwithstanding, in the event that the Stock is readily tradable on an established securities market when the Optionee desires to transfer Shares, the Company shall have no Right of First Refusal, and the Optionee shall have no obligation to comply with the procedures prescribed by Subsections (a) and (b) above.

(e) **Permitted Transfers**. This Section 7 shall not apply to (i) a transfer by beneficiary designation, will or intestate succession or (ii) a transfer to one or more members of the Optionee's Immediate Family or to a trust or other entity established by the Optionee solely for the benefit of the Optionee and/or one or more members of the Optionee's Immediate Family, provided in either case that the Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement. If the Optionee transfers any Shares acquired under this Agreement, either under this Subsection (e) or after the Company has failed to exercise the Right of First Refusal, then this Agreement shall apply to the Transferee to the same extent as to the Optionee.

(f) **Termination of Rights as Stockholder**. If the Company makes available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Shares to be purchased in accordance with this Section 7, then after such time the person from whom such Shares are to be purchased shall no longer have any rights as a holder of such Shares (other than the right to receive payment of such consideration in accordance with this Agreement). Such Shares shall be deemed to have been purchased in accordance with the applicable provisions hereof, whether or not any certificate(s) therefor have been delivered as required by this Agreement.

(g) **Assignment of Right of First Refusal**. The Board of Directors may freely assign the Company's Right of First Refusal, in whole or in part. Any person who accepts an assignment of the Right of First Refusal from the Company shall be entitled to and assume all of the Company's rights and obligations under this Section 7.

SECTION 8. LEGALITY OF INITIAL ISSUANCE.

No Shares shall be issued upon the exercise of this option unless and until the Company has determined that:

(a) It and the Optionee have taken any actions required to register the Shares under the Securities Act or to perfect an exemption from the registration requirements thereof;

(b) Any applicable listing requirement of any stock exchange or other securities market on which Stock is listed has been satisfied; and

(c) Any other applicable provision of federal, State or foreign law has been satisfied.

SECTION 9. NO REGISTRATION RIGHTS.

The Company may, but shall not be obligated to, register or qualify the sale of Shares under the Securities Act or any other applicable law. The Company shall not be obligated to take any affirmative action in order to cause the sale of Shares under this Agreement to comply with any law.

SECTION 10. RESTRICTIONS ON TRANSFER OF SHARES.

(a) **General Restrictions**. Unless the Stock is readily tradeable on an established securities market, the transfer of any of the Shares acquired pursuant to this Agreement (or any interest therein) shall, at the Company's request, be conditioned upon (i) effecting such transfer pursuant to a form of stock transfer agreement prescribed by the Company and (ii) payment of a transfer fee not to exceed $5,000.

(b) **Securities Law Restrictions**. Regardless of whether the offer and sale of Shares under the Plan have been registered under the Securities Act or have been registered or qualified under the securities laws of any State or other relevant jurisdiction, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on the stock certificates (or electronic equivalent) or the imposition of stop-transfer instructions) and may refuse (or may be required to refuse) to transfer Shares acquired hereunder (or Shares proposed to be transferred in a subsequent transfer) if, in the judgment of the Company, such restrictions, legends or refusal are necessary or appropriate to achieve compliance with the Securities Act or other relevant securities or other laws, including without limitation under Regulation S of the Securities Act or pursuant to another available exemption from registration.

(c) **Market Stand-Off**. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company's initial public offering, the Optionee or a Transferee shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any Shares acquired under this Agreement without the prior written consent of the Company or its managing underwriter. Such restriction (the "**Market Stand-Off**") shall be in effect for such period of time following the date of the final prospectus for the offering as may be requested by the Company or such underwriter. In no event, however, shall such period exceed 180 days plus such additional period as may reasonably be requested by the Company or such underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports or (ii) analyst recommendations and opinions, including (without limitation) the restrictions set forth in Rule 2711(f)(4) of the National Association of Securities Dealers and Rule 472(f)(4) of the New York Stock Exchange, as amended, or any similar successor rules. The Market Stand-Off shall in any event terminate two years after the date of the Company's initial public offering. In the event of the declaration of a stock dividend, a spin-off, a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities without receipt of consideration, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Shares subject to the Market Stand-Off, or into which such Shares thereby become convertible, shall immediately be subject to the Market Stand-Off. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Agreement until the end of the applicable stand-off period. The Company's underwriters shall be beneficiaries of the agreement set forth in this Subsection (b). This Subsection (b) shall not apply to Shares registered in the public offering under the Securities Act.

(d) **Investment Intent at Grant**. The Optionee represents and agrees that the Shares to be acquired upon exercising this option will be acquired for investment, and not with a view to the sale or distribution thereof.

(e) **Investment Intent at Exercise**. In the event that the sale of Shares under the Plan is not registered under the Securities Act but an exemption is available that requires an investment representation or other representation, the Optionee shall represent and agree at the time of exercise that the Shares being acquired upon exercising this option are being acquired for investment, and not with a view to the sale or distribution thereof, and shall make such other representations as are deemed necessary or appropriate by the Company and its counsel, including (if applicable because the Company is relying on Regulation S under the Securities Act) that as of the date of exercise the Optionee is (i) not a U.S. Person; (ii) not acquiring the Shares on behalf, or for the account or benefit, of a U.S. Person; and (iii) is not exercising the option in the United States.

(f) **Legends**. Any certificates (or electronic equivalent) evidencing Shares purchased under this Agreement shall bear the following legend:

> "THE SHARES REPRESENTED HEREBY (AND ANY INTEREST THEREIN) MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE TERMS OF THE STOCK OPTION AGREEMENT PURSUANT TO WHICH SUCH SHARES WERE ACQUIRED. SUCH AGREEMENT GRANTS TO THE COMPANY CERTAIN RIGHTS OF FIRST REFUSAL UPON AN ATTEMPTED TRANSFER OF THE SHARES. IN ADDITION, THE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFER AS SET FORTH IN SUCH STOCK OPTION AGREEMENT. THE SECRETARY OF THE COMPANY WILL UPON WRITTEN REQUEST FURNISH A COPY OF SUCH STOCK OPTION AGREEMENT TO THE HOLDER HEREOF WITHOUT CHARGE."

Any certificates (or electronic equivalent) evidencing Shares purchased under this Agreement in an unregistered transaction shall bear the following legend (and such other restrictive legends as are required or deemed advisable under the provisions of any applicable law):

"THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR ANY SECURITIES LAWS OF ANY U.S. STATE, AND MAY NOT BE SOLD, REOFFERED, PLEDGED, ASSIGNED, ENCUMBERED OR OTHERWISE TRANSFERRED OR DISPOSED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED. IN THE ABSENCE OF REGISTRATION OR THE AVAILABILITY (CONFIRMED BY OPINION OF COUNSEL) OF AN ALTERNATIVE EXEMPTION FROM REGISTRATION UNDER THE ACT (INCLUDING WITHOUT LIMITATION IN ACCORDANCE WITH REGULATION S UNDER THE ACT), THESE SHARES MAY NOT BE SOLD, REOFFERED, PLEDGED, ASSIGNED, ENCUMBERED OR OTHERWISE TRANSFERRED OR DISPOSED OF. HEDGING TRANSACTIONS INVOLVING THESE SHARES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE ACT."

(g) **Removal of Legends**. If, in the opinion of the Company and its counsel, any legend placed on a stock certificate representing Shares sold under this Agreement is no longer required, the holder of such certificate shall be entitled to exchange such certificate for a certificate representing the same number of Shares but without such legend.

(h) **Administration**. Any determination by the Company and its counsel in connection with any of the matters set forth in this Section 10 shall be conclusive and binding on the Optionee and all other persons.

SECTION 11. DRAG ALONG RIGHT.

(a) **Required Actions**. If the Requisite Parties approve a Sale of the Company, then Optionee hereby agrees with respect to all Shares which the Optionee own(s) or over which the Optionee otherwise exercises voting or dispositive authority:

(i) if such Sale of the Company requires stockholder approval under the Certificate, the Bylaws of the Company or any law, rule or regulation applicable to the Company, to vote (in person, by proxy or by action by written consent, as applicable) such Shares in favor of such Sale of the Company (it being understood that, within five (5) days after the delivery of a proxy or consent solicitation statement (or similar document requesting the consent or approval of stockholders) in respect of any Sale of the Company, the Stockholder shall duly execute and deliver a proxy or consent, as the case may be, in favor of such Sale of the Company);

(ii) if such transaction is a Stock Sale, to sell the same proportion of shares of capital stock of the Company beneficially held by the Optionee as is being sold by the Selling Holders to the person to whom the Selling Holders propose to sell their Shares;

(iii) to refrain from exercising any dissenters' rights or rights of appraisal under applicable law at any time with respect to such Sale of the Company;

(iv) if the consideration for such Shares pursuant to the Sale of the Company includes any securities, accept in lieu thereof an amount of cash equal to the fair value (as determined in good faith by the Company) of such securities to the extent reasonably necessary (as determined in good faith by the Company) to comply with applicable federal and state securities laws;

(v) if the Selling Holders appoint a stockholder representative (the "**Stockholder Representative**") for matters affecting the stockholders of the Company under the applicable definitive transaction agreements, to consent to (i) the appointment of such Stockholder Representative, (ii) the establishment of any applicable escrow, expense or similar fund in connection with any indemnification or similar obligations, and (iii) the payment of such Stockholder's pro rata portion (from the applicable escrow or expense fund or otherwise) of any and all reasonable fees and expenses to such Stockholder Representative in connection with such Stockholder Representative's services and duties in connection with such Sale of the Company and its related service as the representative of the Stockholders;

(vi) to agree to make representations and warranties and to agree to indemnity and other liability obligations in connection with the Sale of the Company on terms and conditions that, taken as a whole, are no less favorable to Optionee than to other holders of Common Stock of the Company; and

(vii) to execute and deliver all related documentation and take such other action in support of the Sale of the Company, as reasonably requested by the Company, including a written consent, release and/or joinder, and to not take any action inconsistent with the Sale of the Company.

(b) **Exceptions**. Notwithstanding the foregoing, an Optionee will not be required to comply with Subsection (a) above in connection with any Sale of the Company unless (i) each holder of each class or series of the Company's stock will receive the same form of consideration for their shares of such class or series as is received by other holders in respect of their shares of such same class or series of stock and (ii) each holder of Common Stock will receive the same amount of consideration per share of Common Stock as is received by other holders in respect of their shares of Common Stock, subject, in each case, to any "rollover" or similar arrangements provided in the definitive documents relating to such Sale of the Company. If the consideration to be paid in exchange for the Shares pursuant to such Sale of the Company includes any securities and due receipt thereof by the Optionee would require under applicable law (x) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities; or (y) the provision to any Optionee of any information other than such information as a prudent issuer would generally furnish in an offering made solely to "accredited investors" as defined in Regulation D promulgated under the Securities Act, the Company may cause to be paid to any such Optionee in lieu thereof, against surrender of the Shares which would have otherwise been sold by such Optionee, an amount in cash equal to the fair value (as determined in good faith by the Company's Board of Directors or the Requisite Parties, as applicable) of the securities which such Optionee would otherwise receive as of the date of the issuance of such securities in exchange for the Shares.

SECTION 12. ADJUSTMENT OF SHARES.

In the event of any transaction described in Section 9(a) of the Plan, the terms of this option (including, without limitation, the number and kind of Shares subject to this option and the Exercise Price) shall be adjusted as set forth in Section 9(a) of the Plan. In the event that the Company is a party to a merger or consolidation or in the event of a sale of all or substantially all of the Company's stock or assets, this option shall be subject to the treatment provided by the Board of Directors in its sole discretion, as provided in Section 9(b) of the Plan.

SECTION 13. MISCELLANEOUS PROVISIONS.

(a) **Rights as a Stockholder**. Neither the Optionee nor the Optionee's representative shall have any rights as a stockholder with respect to any Shares subject to this option until the Optionee or the Optionee's representative becomes entitled to receive such Shares by filing a notice of exercise and paying the Purchase Price pursuant to Sections 4 and 5.

(b) **No Retention Rights**. Nothing in this option or in the Plan shall confer upon the Optionee any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Optionee) or of the Optionee, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

(c) **Notice**. Any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid, (iii) deposit with Federal Express Corporation, with shipping charges prepaid or (iv) deposit with any internationally recognized express mail courier service, with shipping charges prepaid. Notice shall be addressed to the Company at its principal executive office and to the Optionee at the address that he or she most recently provided to the Company in accordance with this Subsection (c). In addition, to the extent required or permitted pursuant to rules established by the Company from time to time, notices may be delivered electronically.

(d) **Modifications and Waivers**. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Optionee and by an authorized officer of the Company (other than the Optionee); provided, however, that a modification that is otherwise favorable to the Optionee (for example, providing the Optionee with additional time to exercise this option after termination of employment or providing for additional forms of payment) but causes this option to lose its tax-favored status (for example, as an ISO) shall not require the consent of the Optionee. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(e) **Entire Agreement**. The Notice of Stock Option Grant, this Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof.

(f) **Choice of Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State.

(g) **Severability**. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

(h) **Binding Effect on Transferees, Heirs, Successors and Assigns**. This Agreement shall be binding upon Optionee's permitted transferees, heirs, successors and assigns; provided that for any such transfer to be deemed effective, the transferee shall agree on a form prescribed by the Company to be bound by the terms and conditions of this Agreement, including the restrictions on transfer in Section 10 and the drag along right in Section 11. The Company shall not record any transfer of Shares on its books or issue a new certificate representing any such Shares unless and until such transferee shall have complied with the terms of this Subsection (h).

SECTION 14. ACKNOWLEDGEMENTS OF THE OPTIONEE.

In addition to the other terms, conditions and restrictions imposed on this option and the Shares issuable under this option pursuant to this Agreement and the Plan, the Optionee expressly acknowledges being subject to Sections 7 (Right of First Refusal), 8 (Legality of Initial Issuance), 10 (Restrictions on Transfer of Shares, including without limitation the Market Stand-Off) and 11 (Drag Along Right), as well as the following provisions:

(a) **Tax Consequences**. The Optionee agrees that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes the Optionee's tax liabilities. The Optionee shall not make any claim against the Company or its Board of Directors, officers or employees related to tax liabilities arising from this option or the Optionee's other compensation. In particular, any Optionee subject to U.S. taxation acknowledges that this option is exempt from Section 409A of the Code only if the Exercise Price is at least equal to the Fair Market Value per Share on the Date of Grant. Since Shares are not traded on an established securities market, the determination of their Fair Market Value is made by the Board of Directors or by an independent valuation firm retained by the Company. The Optionee acknowledges that there is no guarantee in either case that the Internal Revenue Service will agree with the valuation, and the Optionee shall not make any claim against the Company or its Board of Directors, officers or employees in the event that the Internal Revenue Service asserts that the valuation was too low. In addition, if this option is designated as an ISO, the Optionee acknowledges that there is no guarantee that the option in fact qualifies for incentive stock option treatment or that it will continue to qualify for incentive stock option treatment at the time of exercise. In this regard, the Optionee acknowledges that the Company may take actions that will cause the option to cease to be eligible for incentive stock option treatment and that such actions do not require the Optionee's consent.

(b) **Electronic Delivery of Documents**. The Optionee acknowledges and agrees that the Company may, in its sole discretion, deliver all documents relating to the Company, the Plan or this option and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the Securities and Exchange Commission) by email or other means of electronic transmission (including by posting them on a website maintained by the Company or a third party under contract with the Company). The Optionee acknowledges that he or she may incur costs in connection with any such delivery by means of electronic transmission, including the cost of accessing the internet and printing fees, and that an interruption of internet access may interfere with his or her ability to access the documents.

(c) **No Notice of Expiration Date**. The Optionee agrees that the Company and its officers, employees, attorneys and agents do not have any obligation to notify him or her prior to the expiration of this option pursuant to Section 6, regardless of whether this option will expire at the end of its full term or on an earlier date related to the termination of the Optionee's Service. The Optionee further agrees that he or she has the sole responsibility for monitoring the expiration of this option and for exercising this option, if at all, before it expires. This Subsection (c) shall supersede any contrary representation that may have been made, orally or in writing, by the Company or by an officer, employee, attorney or agent of the Company.

(d) **Waiver of Statutory Information Rights**. The Optionee acknowledges and agrees that, upon exercise of this option and until the first sale of the Company's Stock to the general public pursuant to a registration statement filed under the Securities Act, he or she shall waive, and shall be deemed to have waived, any rights the Optionee would otherwise have under Section 220 of the Delaware General Corporation Law (or under similar rights pursuant to any other applicable law) to inspect for any purpose and to make copies and extracts from the Company's stock ledger, a list of its stockholders and its other books and records or the books and records of any subsidiary of the Company (the "**Inspection Rights**"). The Optionee acknowledges and understands that, but for the waiver made herein, the Optionee would be entitled, upon compliance with the procedures set forth in Section 220 of the Delaware General Corporation Law, to Inspection Rights pursuant thereto, and further acknowledges and agrees that the waiver set forth herein is a knowing and voluntary waiver of such rights, that the Optionee has received sufficient consideration for such waiver and that the Company would not be willing to provide the benefits to the Optionee hereunder without the benefit of such waiver from the Optionee. This waiver applies only in the Optionee's capacity as a stockholder and does not affect any other inspection rights the Optionee may have pursuant to any written agreement with the Company.

(e) **Plan Discretionary**. The Optionee understands and acknowledges that (i) the Plan is entirely discretionary, (ii) the Company and the Optionee's employer have reserved the right to amend, suspend or terminate the Plan at any time, (iii) the grant of an option does not in any way create any contractual or other right to receive additional grants of options (or benefits in lieu of options) at any time or in any amount and (iv) all determinations with respect to any additional grants, including (without limitation) the times when options will be granted, the number of Shares offered, the Exercise Price and the vesting schedule, will be at the sole discretion of the Company.

(f) **Termination of Service**. The Optionee understands and acknowledges that participation in the Plan ceases upon termination of his or her Service for any reason, except as may explicitly be provided otherwise in the Plan or this Agreement.

(g) **Extraordinary Compensation**. The value of this option shall be an extraordinary item of compensation outside the scope of the Optionee's employment contract, if any, and shall not be considered a part of his or her normal or expected compensation for purposes of calculating severance, resignation, redundancy or end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

(h) **Authorization to Disclose**. The Optionee hereby authorizes and directs the Optionee's employer to disclose to the Company or any Subsidiary any information regarding the Optionee's employment, the nature and amount of the Optionee's compensation and the fact and conditions of the Optionee's participation in the Plan, as the Optionee's employer deems necessary or appropriate to facilitate the administration of the Plan.

(i) **Personal Data Authorization**. The Optionee consents to the collection, use and transfer of personal data as described in this Subsection (i). The Optionee understands and acknowledges that the Company, the Optionee's employer and the Company's other Subsidiaries hold certain personal information regarding the Optionee for the purpose of managing and administering the Plan, including (without limitation) the Optionee's name, home address, telephone number, date of birth, social insurance number, salary, nationality, job title, any Shares or directorships held in the Company and details of all options or any other entitlements to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Optionee's favor (the "**Data**"). The Optionee further understands and acknowledges that the Company and/or its Subsidiaries will transfer Data among themselves as necessary for the purpose of implementation, administration and management of the Optionee's participation in the Plan and that the Company and/or any Subsidiary may each further transfer Data to any third party assisting the Company in the implementation, administration and management of the Plan. The Optionee understands and acknowledges that the recipients of Data may be located in the United States or elsewhere. The Optionee authorizes such recipients to receive, possess, use, retain and transfer Data, in electronic or other form, for the purpose of administering the Optionee's participation in the Plan, including a transfer to any broker or other third party with whom the Optionee elects to deposit Shares acquired under the Plan of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Optionee's behalf. The Optionee may, at any time, view the Data, require any necessary modifications of Data or withdraw the consents set forth in this Subsection (i) by contacting the Company in writing.

SECTION 15. DEFINITIONS.

(a) "**Agreement**" shall mean this Stock Option Agreement.

(b) "**Board of Directors**" shall mean the Board of Directors of the Company, as constituted from time to time or, if a Committee has been appointed, such Committee.

(c) "**Certificate**" shall mean the Company's amended and restated certificate of incorporation as in effect from time to time.

(d) "**Company**" shall mean Esker Therapeutics, Inc. f/k/a FL2021-001, Inc., a Delaware corporation.

(e) "**Immediate Family**" shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law and shall include adoptive relationships.

(f) "**Optionee**" shall mean the person named in the Notice of Stock Option Grant.

(g) "**Plan**" shall mean the Esker Therapeutics, Inc. 2021 Stock Plan, as in effect on the Date of Grant.

(h) "**Purchase Price**" shall mean the Exercise Price multiplied by the number of Shares with respect to which this option is being exercised.

(i) "**Requisite Parties**" shall mean both the Board of Directors and the Selling Holders.

(j) "**Right of First Refusal**" shall mean the Company's right of first refusal described in Section 7.

(k) "**Sale of the Company**" shall mean: (i) a transaction or series of related transactions in which a person, or a group of related persons, acquires from stockholders of the Company shares representing more than fifty percent (50%) of the outstanding voting power of the Company (a "**Stock Sale**"), (ii) a sale of all or substantially all of the assets of the Company or (iii) any other transaction that qualifies as a "Liquidation Event" as defined in the Certificate.

(l) "**Selling Holders**" shall mean the holders of a majority of the then-outstanding shares of Common Stock (voting together as a single class and on an as-converted basis).

(m) "**Service**" shall mean service as an Employee, Outside Director or Consultant.

(n) "**Transferee**" shall mean any person to whom the Optionee has directly or indirectly transferred any Share acquired under this Agreement.

(o) "**Transfer Notice**" shall mean the notice of a proposed transfer of Shares described in Section 7.

(p) "**U.S. Person**" shall mean a person described in Rule 902(k) of Regulation S of the Securities Act (or any successor rule or provision), which generally defines a U.S. person as any natural person resident in the United States, any estate of which any executor or administrator is a U.S. Person, or any trust of which of any trustee is a U.S. Person.

ESKER THERAPEUTICS, INC. 2021 STOCK PLAN
NOTICE OF STOCK OPTION GRANT (EARLY EXERCISE)

The Optionee has been granted the following option to purchase shares of the Common Stock of Esker Therapeutics, Inc. (the "**Company**"):

Name of Optionee:	«Name»
Total Number of Shares:	«TotalShares»
Type of Option:	«ISO» Incentive Stock Option (ISO) «NSO» Nonstatutory Stock Option (NSO)
Exercise Price per Share:	$«PricePerShare»
Date of Grant:	«DateGrant»
Date Exercisable:	This option may be exercised at any time after the Date of Grant for all or any part of the Shares subject to this option.
Vesting Commencement Date:	«VestComDate»
Vesting Schedule:	This option shall vest, and the Right of Repurchase shall lapse, with respect to the first «Percent»% of the Shares subject to this option when the Optionee completes «CliffPeriod» months of continuous Service beginning with the Vesting Commencement Date set forth above. This option shall vest, and the Right of Repurchase shall lapse, with respect to an additional «Fraction»% of the Shares subject to this option when the Optionee completes each month of continuous Service thereafter.
Expiration Date:	«ExpDate». This option expires earlier if the Optionee's Service terminates earlier, as provided in Section 6 of the Stock Option Agreement, or if the Company engages in certain corporate transactions, as provided in Section 9 of the Plan.

By signing below or otherwise accepting this option in a manner acceptable to the Company, the Optionee and the Company agree that this option is granted under, and governed by the terms and conditions of, this Notice of Stock Option Grant, the 2021 Stock Plan and the Stock Option Agreement. Both of the latter documents are attached to, and made a part of, this Notice of Stock Option Grant. Capitalized terms not otherwise defined herein or in the Stock Option Agreement shall have the meanings set forth in the Plan. **Section 15 of the Stock Option Agreement includes important acknowledgements of the Optionee**.

OPTIONEE:

_____

Name: _____

ESKER THERAPEUTICS, INC.

By: _____

Title: _____

THE OPTION GRANTED PURSUANT TO THE NOTICE OF STOCK OPTION GRANT AND THIS AGREEMENT AND THE SHARES ISSUABLE UPON THE EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.

ESKER THERAPEUTICS, INC. 2021 STOCK PLAN:
STOCK OPTION AGREEMENT (EARLY EXERCISE)

SECTION 1. GRANT OF OPTION.

(a) **Option**. On the terms and conditions set forth in the Notice of Stock Option Grant, this Agreement and the Plan, the Company has granted to the Optionee on the Date of Grant the option to purchase at the Exercise Price the number of Shares set forth in the Notice of Stock Option Grant. The Exercise Price is agreed to be at least 100% of the Fair Market Value per Share on the Date of Grant (110% of Fair Market Value if this option is designated as an ISO in the Notice of Stock Option Grant and Section 3(b) of the Plan applies). This option is intended to be an ISO or an NSO, as provided in the Notice of Stock Option Grant.

(b) **$100,000 Limitation**. Even if this option is designated as an ISO in the Notice of Stock Option Grant, it shall be deemed to be an NSO to the extent (and only to the extent) required by the $100,000 annual limitation under Section 422(d) of the Code.

(c) **Stock Plan and Defined Terms**. This option is granted pursuant to the Plan, a copy of which the Optionee acknowledges having received. The provisions of the Plan are incorporated into this Agreement by this reference. Except as otherwise defined in this Agreement (including without limitation Section 16 hereof), capitalized terms shall have the meaning ascribed to such terms in the Plan.

SECTION 2. RIGHT TO EXERCISE.

(a) **Exercisability**. Subject to Subsection (b) below and the other conditions set forth in this Agreement, all or part of this option may be exercised prior to its expiration at the time or times set forth in the Notice of Stock Option Grant. Shares purchased by exercising this option may be subject to the Right of Repurchase under Section 7.

(b) **Stockholder Approval**. Any other provision of this Agreement notwithstanding, no portion of this option shall be exercisable at any time prior to the approval of the Plan by the Company's stockholders.

SECTION 3. NO TRANSFER OR ASSIGNMENT OF OPTION.

Except as otherwise provided in or pursuant to this Agreement or the Plan, this option and the rights and privileges conferred hereby shall not be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process.

SECTION 4. EXERCISE PROCEDURES.

(a) **Notice of Exercise**. The Optionee or the Optionee's representative may exercise this option by: (i) signing and delivering written notice (on a form prescribed by the Company) to the Company pursuant to Section 14(c) specifying the election to exercise this option, the number of Shares for which it is being exercised and the form of payment, (ii) if requested by the Company, executing and delivering such stockholders agreements as apply to the holders of the Company's preferred stock (including, without limitation, any right of first refusal and co-sale agreement and/or voting agreement of the Company) and (iii) delivering payment, in a form permissible under Section 5, for the full amount of the Purchase Price (together with any applicable withholding taxes under Subsection (b)). In the event that this option is being exercised by the representative of the Optionee, the notice shall be accompanied by proof (satisfactory to the Company) of the representative's right to exercise this option. In the event of a partial exercise of this option, Shares shall be deemed to have been purchased in the order in which they vest in accordance with the Notice of Stock Option Grant.

(b) **Withholding Taxes**. In the event that the Company determines that it is required to withhold any tax (including without limitation any income tax, social insurance contributions, payroll tax, payment on account or other tax-related items arising in connection with the Optionee's participation in the Plan and legally applicable to the Optionee (the "**Tax-Related Items**")) as a result of the grant, vesting or exercise of this option, or as a result of the vesting or transfer of shares acquired upon exercise of this option, the Optionee, as a condition of this option, shall make arrangements satisfactory to the Company to enable it to satisfy all Tax-Related Items. The Optionee acknowledges that the responsibility for all Tax-Related Items is the Optionee's and may exceed the amount actually withheld by the Company (or its affiliate or agent).

(c) **Issuance of Shares**. After satisfying all requirements for exercise of this option, the Company shall cause to be issued one or more certificates evidencing, or electronic notation representing, the Shares for which this option has been exercised. Such Shares shall be registered (i) in the name of the person exercising this option, (ii) in the names of such person and his or her spouse as community property or as joint tenants with the right of survivorship or (iii) with the Company's consent, in the name of a revocable trust. Until the issuance of the Shares has been entered into the books and records of the Company or a duly authorized transfer agent of the Company, no right to vote, receive dividends or any other right as a stockholder will exist with respect to such Shares. In the case of Restricted Shares, the Company shall cause any certificates evidencing such Shares to be deposited in escrow under Section 7(c). In the case of other Shares, the Company shall cause any certificates evidencing such Shares to be delivered to or upon the order of the person exercising this option.

SECTION 5. PAYMENT FOR STOCK.

(a) **Cash**. All or part of the Purchase Price may be paid in cash or cash equivalents or pursuant to a form of electronic funds transfer acceptable to the Company.

(b) **Surrender of Stock**. At the discretion of the Board of Directors, all or any part of the Purchase Price may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the Optionee. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value as of the date when this option is exercised.

(c) **Cashless Exercise**. All or part of the Purchase Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company. However, payment pursuant to the preceding sentence shall be permitted only if (i) Stock then is publicly traded and (ii) such payment does not violate applicable law. At the discretion of the Board of Directors, all or part of the Purchase Price and any withholding taxes may be paid pursuant to another cashless exercise arrangement established by the Company.

SECTION 6. TERM AND EXPIRATION.

(a) **Basic Term**. This option shall in any event expire on the expiration date set forth in the Notice of Stock Option Grant, which date is 10 years after the Date of Grant (five years after the Date of Grant if this option is designated as an ISO in the Notice of Stock Option Grant and Section 3(b) of the Plan applies).

(b) **Termination of Service (Except by Death)**. If the Optionee's Service terminates for any reason other than death, then this option shall expire on the earliest of the following occasions:

(i) The expiration date determined pursuant to Subsection (a) above;

(ii) The date three months after the termination of the Optionee's Service for any reason other than Disability; or

(iii) The date six months after the termination of the Optionee's Service by reason of Disability. The Optionee may exercise all or part of this option at any time before its expiration under the preceding sentence, but only to the extent that this option had become vested before the Optionee's Service terminated or becomes vested as a result of such termination. In the event that the Optionee dies after termination of Service but before the expiration of this option, all or part of this option may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option had become vested before the Optionee's Service terminated or becomes vested as a result of such termination. Once this option (or portion thereof) has terminated, the Optionee shall have no further rights with respect to the option (or portion thereof) or to the underlying Shares.

(c) **Death of the Optionee**. If the Optionee dies while in Service, then this option shall expire on the earlier of the following dates:

(i) The expiration date determined pursuant to Subsection (a) above; or

(ii) The date 12 months after the Optionee's death.

All or part of this option may be exercised at any time before its expiration under the preceding sentence by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option had become vested before the Optionee's death or becomes vested as a result of the Optionee's death. Once this option (or portion thereof) has terminated, the Optionee shall have no further rights with respect to the option (or portion thereof) or to the underlying Shares.

(d) **Additional Vesting After Termination of Service**. The period of time beginning on the date that the Optionee's Service terminates or the date that the Optionee dies while in Service and ending on the earliest of the occasions determined pursuant to Subsections (b) or (c) above, as applicable, is referred to as the "**post-termination exercise period**". To the extent this option is not fully vested on the date the Optionee's Service terminates or the date that the Optionee dies while in Service, the Board of Directors may, during the post-termination exercise period, take action to cause this option to become vested (in whole or in part). In no event will this option become vested after termination of the Optionee's Service or death unless the Board of Directors takes affirmative action pursuant to the preceding sentence or unless expressly provided in a written agreement between the Company and the Optionee. In this regard, any provision of this Agreement or another agreement that provides for vesting upon an event (including, without limitation, a change in control) will be deemed to require Service through the occurrence of such event unless the agreement clearly provides otherwise.

(e) **Extension of Post-Termination Exercise Periods**. Following the date on which the Company's Stock is first listed for trading on an established securities market, if during any part of the exercise period described in Subsections (b)(ii) or (iii) or Subsection (c)(ii) above the exercise of this option would be prohibited solely because the issuance of Shares upon such exercise would violate the registration requirements under the Securities Act or a similar provision of other applicable law, then instead of terminating at the end of such prescribed period, the then-vested portion of this option will instead remain outstanding and not expire until the earlier of (i) the expiration date determined pursuant to Section 6(a) above or (ii) the date on which the then-vested portion of this option has been exercisable without violation of applicable law for the aggregate period (which need not be consecutive) after termination of the Optionee's Service specified in the applicable Subsection above.

(f) **Part-Time Employment and Leaves of Absence**. If the Optionee commences working on a part-time basis, then the Company may adjust the vesting schedule set forth in the Notice of Stock Option Grant. If the Optionee goes on a leave of absence, then, to the extent permitted by applicable law, the Company may adjust or suspend the vesting schedule set forth in the Notice of Stock Option Grant. Except as provided in the preceding sentence, Service shall be deemed to continue for any purpose under this Agreement while the Optionee is on a *bona fide* leave of absence approved by the Company in writing. Service shall be deemed to terminate when such leave ends, unless the Optionee immediately returns to active work when such leave ends.

(g) **Notice Concerning ISO Treatment**. Even if this option is designated as an ISO in the Notice of Stock Option Grant, it ceases to qualify for favorable tax treatment as an ISO to the extent that it is exercised:

(i) More than three months after the date when the Optionee ceases to be an Employee for any reason other than death or permanent and total disability (as defined in Section 22(e)(3) of the Code);

(ii) More than 12 months after the date when the Optionee ceases to be an Employee by reason of permanent and total disability (as defined in Section 22(e)(3) of the Code); or

(iii) More than three months after the date when the Optionee has been on a leave of absence for three months, unless the Optionee's reemployment rights following such leave were guaranteed by statute or by contract.

SECTION 7. RIGHT OF REPURCHASE.

(a) **Scope of Repurchase Right**. Until they vest in accordance with the Notice of Stock Option Grant and Subsection (b) below, the Shares acquired under this Agreement shall be Restricted Shares and shall be subject to the Company's Right of Repurchase. The Company, however, may decline to exercise its Right of Repurchase or may exercise its Right of Repurchase only with respect to a portion of the Restricted Shares. The Company may exercise its Right of Repurchase only during the Repurchase Period following the termination of the Optionee's Service, but the Right of Repurchase may be exercised automatically under Subsection (d) below. If the Right of Repurchase is exercised, the Company shall pay the Optionee an amount equal to the lower of (i) the Exercise Price of each Restricted Share being repurchased or (ii) the Fair Market Value of such Restricted Share at the time the Right of Repurchase is exercised.

(b) **Lapse of Repurchase Right**. The Right of Repurchase shall lapse with respect to the Restricted Shares in accordance with the vesting schedule set forth in the Notice of Stock Option Grant.

(c) **Escrow**. Upon issuance, any certificate(s) for Restricted Shares shall be deposited in escrow with the Company to be held in accordance with the provisions of this Agreement. Any additional or exchanged securities or other property described in Subsection (f) below shall immediately be delivered to the Company to be held in escrow. All ordinary cash dividends on Restricted Shares (or on other securities held in escrow) shall be paid directly to the Optionee and shall not be held in escrow. Restricted Shares, together with any other assets held in escrow under this Agreement, shall be (i) surrendered to the Company for repurchase upon exercise of the Right of Repurchase or the Right of First Refusal or (ii) if held in escrow, released to the Optionee upon his or her request to the extent that the Shares have ceased to be Restricted Shares (but not more frequently than once every six months). In any event, all Shares that have ceased to be Restricted Shares, together with any other vested assets held in escrow under this Agreement, shall be released within 90 days after the earlier of (i) the termination of the Optionee's Service or (ii) the lapse of the Right of First Refusal.

(d) **Exercise of Repurchase Right**. The Company shall be deemed to have exercised its Right of Repurchase automatically for all Restricted Shares as of the commencement of the Repurchase Period, unless the Company during the Repurchase Period notifies the holder of the Restricted Shares pursuant to Section 14(c) that it will not exercise its Right of Repurchase for some or all of the Restricted Shares. The Company shall pay to the holder of the Restricted Shares the purchase price determined under Subsection (a) above for the Restricted Shares being repurchased. Payment shall be made in cash or cash equivalents and/or by canceling indebtedness to the Company incurred by the Optionee in the purchase of the Restricted Shares. If the Restricted Shares being repurchased are represented by certificate(s), any such certificate(s) shall be delivered to the Company. If the Restricted Shares being repurchased are not represented by certificate, the repurchase shall be effected by an appropriate book entry on the stock ledger for the Shares.

(e) **Termination of Rights as Stockholder**. If the Right of Repurchase is exercised in accordance with this Section 7 and the Company makes available the consideration for the Restricted Shares being repurchased, then the person from whom the Restricted Shares are repurchased shall no longer have any rights as a holder of the Restricted Shares (other than the right to receive payment of such consideration). Such Restricted Shares shall be deemed to have been repurchased pursuant to this Section 7, whether or not any certificate(s) for such Restricted Shares have been delivered to the Company or the consideration for such Restricted Shares has been accepted.

(f) **Additional or Exchanged Securities and Property**. In the event of a merger or consolidation of the Company, a sale of all or substantially all of the Company's stock or assets, any other corporate reorganization, a stock split, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities, any securities or other property (including cash or cash equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Restricted Shares shall immediately be subject to the Right of Repurchase. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class of the Restricted Shares. Appropriate adjustments shall also be made to the price per share to be paid upon the exercise of the Right of Repurchase, provided that the aggregate purchase price payable for the Restricted Shares shall remain the same. In the event of any transaction described in Section 9(b) of the Plan or any other corporate reorganization, the Right of Repurchase may be exercised by the Company's successor.

(g) **Transfer of Restricted Shares**. The Optionee shall not transfer, assign, encumber or otherwise dispose of any Restricted Shares without the Company's written consent, except as provided in the following sentence. The Optionee may transfer Restricted Shares to one or more members of the Optionee's Immediate Family or to a trust or other entity established by the Optionee solely for the benefit of the Optionee and/or one or more members of the Optionee's Immediate Family, provided in either case that the Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement. If the Optionee transfers any Restricted Shares, then this Agreement shall apply to the Transferee to the same extent as to the Optionee.

(h) **Assignment of Repurchase Right**. The Board of Directors may freely assign the Company's Right of Repurchase, in whole or in part. Any person who accepts an assignment of the Right of Repurchase from the Company shall be entitled to and assume all of the Company's rights and obligations under this Section 7.

SECTION 8. RIGHT OF FIRST REFUSAL.

(a) **Right of First Refusal**. In the event that the Optionee proposes to sell, pledge or otherwise transfer to a third party any Shares acquired under this Agreement, or any interest in such Shares, the Company shall have the Right of First Refusal with respect to all (and not less than all) of such Shares. If the Optionee desires to transfer Shares acquired under this Agreement, the Optionee shall give a written Transfer Notice to the Company describing fully the proposed transfer, including the number of Shares proposed to be transferred, the proposed transfer price, the name and address of the proposed Transferee and proof satisfactory to the Company that the proposed sale or transfer will not violate any applicable federal, State or foreign securities laws. The Transfer Notice shall be signed both by the Optionee and by the proposed Transferee and must constitute a binding commitment of both parties to the transfer of the Shares. The Company shall have the right to purchase all, and not less than all, of the Shares on the terms of the proposal described in the Transfer Notice (subject, however, to any change in such terms permitted under Subsection (b) below) by delivery of a notice of exercise of the Right of First Refusal within 30 days after the date when the Transfer Notice was received by the Company.

(b) **Transfer of Shares**. If the Company fails to exercise its Right of First Refusal within 30 days after the date when it received the Transfer Notice, the Optionee may, not later than 90 days following receipt of the Transfer Notice by the Company, conclude a transfer of the Shares subject to the Transfer Notice on the terms and conditions no less favorable to the Optionee than those described in the Transfer Notice, provided that any such sale is made in compliance with applicable federal, State and foreign securities laws and not in violation of any other contractual restrictions to which the Optionee is bound. Any proposed transfer on terms and conditions less favorable than those described in the Transfer Notice, as well as any subsequent proposed transfer by the Optionee, shall again be subject to the Right of First Refusal and shall require compliance with the procedure described in Subsection (a) above. If the Company exercises its Right of First Refusal, the parties shall consummate the sale of the Shares on the terms set forth in the Transfer Notice within 60 days after the date when the Company received the Transfer Notice (or within such longer period as may have been specified in the Transfer Notice); provided, however, that in the event the Transfer Notice provided that payment for the Shares was to be made in a form other than cash or cash equivalents paid at the time of transfer, the Company shall have the option of paying for the Shares with cash or cash equivalents equal to the present value of the consideration described in the Transfer Notice.

(c) **Additional or Exchanged Securities and Property**. In the event of a merger or consolidation of the Company, a sale of all or substantially all of the Company's stock or assets, any other corporate reorganization, a stock split, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities, any securities or other property (including cash or cash equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Shares subject to this Section 8 shall immediately be subject to the Right of First Refusal. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class of the Shares subject to this Section 8.

(d) **Termination of Right of First Refusal**. Any other provision of this Section 8 notwithstanding, in the event that the Stock is readily tradable on an established securities market when the Optionee desires to transfer Shares, the Company shall have no Right of First Refusal, and the Optionee shall have no obligation to comply with the procedures prescribed by Subsections (a) and (b) above.

(e) **Permitted Transfers**. This Section 8 shall not apply to (i) a transfer by beneficiary designation, will or intestate succession or (ii) a transfer to one or more members of the Optionee's Immediate Family or to a trust or other entity established by the Optionee solely for the benefit of the Optionee and/or one or more members of the Optionee's Immediate Family, provided in either case that the Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement. If the Optionee transfers any Shares acquired under this Agreement, either under this Subsection (e) or after the Company has failed to exercise the Right of First Refusal, then this Agreement shall apply to the Transferee to the same extent as to the Optionee.

(f) **Termination of Rights as Stockholder**. If the Company makes available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Shares to be purchased in accordance with this Section 8, then after such time the person from whom such Shares are to be purchased shall no longer have any rights as a holder of such Shares (other than the right to receive payment of such consideration in accordance with this Agreement). Such Shares shall be deemed to have been purchased in accordance with the applicable provisions hereof, whether or not any certificate(s) therefor have been delivered as required by this Agreement.

(g) **Assignment of Right of First Refusal**. The Board of Directors may freely assign the Company's Right of First Refusal, in whole or in part. Any person who accepts an assignment of the Right of First Refusal from the Company shall be entitled to and assume all of the Company's rights and obligations under this Section 8.

SECTION 9. LEGALITY OF INITIAL ISSUANCE.

No Shares shall be issued upon the exercise of this option unless and until the Company has determined that:

(a) It and the Optionee have taken any actions required to register the Shares under the Securities Act or to perfect an exemption from the registration requirements thereof;

(b) Any applicable listing requirement of any stock exchange or other securities market on which Stock is listed has been satisfied; and

(c) Any other applicable provision of federal, State or foreign law has been satisfied.

SECTION 10. NO REGISTRATION RIGHTS.

The Company may, but shall not be obligated to, register or qualify the sale of Shares under the Securities Act or any other applicable law. The Company shall not be obligated to take any affirmative action in order to cause the sale of Shares under this Agreement to comply with any law.

SECTION 11. RESTRICTIONS ON TRANSFER OF SHARES.

(a) **General Restrictions**. Unless the Stock is readily tradeable on an established securities market, the transfer of any of the Shares acquired pursuant to this Agreement (or any interest therein) shall, at the Company's request, be conditioned upon (i) effecting such transfer pursuant to a form of stock transfer agreement prescribed by the Company and (ii) payment of a transfer fee not to exceed $5,000.

(b) **Securities Law Restrictions**. Regardless of whether the offer and sale of Shares under the Plan have been registered under the Securities Act or have been registered or qualified under the securities laws of any State or other relevant jurisdiction, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on the stock certificates (or electronic equivalent) or the imposition of stop-transfer instructions) and may refuse (or may be required to refuse) to transfer Shares acquired hereunder (or Shares proposed to be transferred in a subsequent transfer) if, in the judgment of the Company, such restrictions, legends or refusal are necessary or appropriate to achieve compliance with the Securities Act or other relevant securities or other laws, including without limitation under Regulation S of the Securities Act or pursuant to another available exemption from registration.

(c) **Market Stand-Off**. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company's initial public offering, the Optionee or a Transferee shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any Shares acquired under this Agreement without the prior written consent of the Company or its managing underwriter. Such restriction (the "Market Stand-Off") shall be in effect for such period of time following the date of the final prospectus for the offering as may be requested by the Company or such underwriter. In no event, however, shall such period exceed 180 days plus such additional period as may reasonably be requested by the Company or such underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports or (ii) analyst recommendations and opinions, including (without limitation) the restrictions set forth in Rule 2711(f)(4) of the National Association of Securities Dealers and Rule 472(f)(4) of the New York Stock Exchange, as amended, or any similar successor rules. The Market Stand-Off shall in any event terminate two years after the date of the Company's initial public offering. In the event of the declaration of a stock dividend, a spin-off, a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities without receipt of consideration, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Shares subject to the Market Stand-Off, or into which such Shares thereby become convertible, shall immediately be subject to the Market Stand-Off. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Agreement until the end of the applicable stand-off period. The Company's underwriters shall be beneficiaries of the agreement set forth in this Subsection (b). This Subsection (b) shall not apply to Shares registered in the public offering under the Securities Act.

(d) **Investment Intent at Grant**. The Optionee represents and agrees that the Shares to be acquired upon exercising this option will be acquired for investment, and not with a view to the sale or distribution thereof.

(e) **Investment Intent at Exercise**. In the event that the sale of Shares under the Plan is not registered under the Securities Act but an exemption is available that requires an investment representation or other representation, the Optionee shall represent and agree at the time of exercise that the Shares being acquired upon exercising this option are being acquired for investment, and not with a view to the sale or distribution thereof, and shall make such other representations as are deemed necessary or appropriate by the Company and its counsel, including (if applicable because the Company is relying on Regulation S under the Securities Act) that as of the date of exercise the Optionee is (i) not a U.S. Person; (ii) not acquiring the Shares on behalf, or for the account or benefit, of a U.S. Person; and (iii) is not exercising the option in the United States.

(f) **Legends**. Any certificates (or electronic equivalent) evidencing Shares purchased under this Agreement shall bear the following legend:

"THE SHARES REPRESENTED HEREBY (AND ANY INTEREST THEREIN) MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE TERMS OF THE STOCK OPTION AGREEMENT PURSUANT TO WHICH SUCH SHARES WERE ACQUIRED. SUCH AGREEMENT GRANTS TO THE COMPANY CERTAIN RIGHTS OF FIRST REFUSAL UPON AN ATTEMPTED TRANSFER OF THE SHARES AND CERTAIN REPURCHASE RIGHTS UPON TERMINATION OF SERVICE WITH THE COMPANY. IN ADDITION, THE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFER AS SET FORTH IN SUCH STOCK OPTION AGREEMENT. THE SECRETARY OF THE COMPANY WILL UPON WRITTEN REQUEST FURNISH A COPY OF SUCH STOCK OPTION AGREEMENT TO THE HOLDER HEREOF WITHOUT CHARGE."

Any certificates (or electronic equivalent) evidencing Shares purchased under this Agreement in an unregistered transaction shall bear the following legend (and such other restrictive legends as are required or deemed advisable under the provisions of any applicable law):

"THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR ANY SECURITIES LAWS OF ANY U.S. STATE, AND MAY NOT BE SOLD, REOFFERED, PLEDGED, ASSIGNED, ENCUMBERED OR OTHERWISE TRANSFERRED OR DISPOSED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED. IN THE ABSENCE OF REGISTRATION OR THE AVAILABILITY (CONFIRMED BY OPINION OF COUNSEL) OF AN ALTERNATIVE EXEMPTION FROM REGISTRATION UNDER THE ACT (INCLUDING WITHOUT LIMITATION IN ACCORDANCE WITH REGULATION S UNDER THE ACT), THESE SHARES MAY NOT BE SOLD, REOFFERED, PLEDGED, ASSIGNED, ENCUMBERED OR OTHERWISE TRANSFERRED OR DISPOSED OF. HEDGING TRANSACTIONS INVOLVING THESE SHARES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE ACT."

(g) **Removal of Legends**. If, in the opinion of the Company and its counsel, any legend placed on a stock certificate representing Shares sold under this Agreement is no longer required, the holder of such certificate shall be entitled to exchange such certificate for a certificate representing the same number of Shares but without such legend.

(h) **Administration**. Any determination by the Company and its counsel in connection with any of the matters set forth in this Section 11 shall be conclusive and binding on the Optionee and all other persons.

SECTION 12. DRAG ALONG RIGHT.

(a) **Required Actions**. If the Requisite Parties approve a Sale of the Company, then Optionee hereby agrees with respect to all Shares which the Optionee own(s) or over which the Optionee otherwise exercises voting or dispositive authority:

(i) if such Sale of the Company requires stockholder approval under the Certificate, the Bylaws of the Company or any law, rule or regulation applicable to the Company, to vote (in person, by proxy or by action by written consent, as applicable) such Shares in favor of such Sale of the Company (it being understood that, within five (5) days after the delivery of a proxy or consent

(ii) solicitation statement (or similar document requesting the consent or approval of stockholders) in respect of any Sale of the Company, the Stockholder shall duly execute and deliver a proxy or consent, as the case may be, in favor of such Sale of the Company);

(iii) if such transaction is a Stock Sale, to sell the same proportion of shares of capital stock of the Company beneficially held by the Optionee as is being sold by the Selling Holders to the person to whom the Selling Holders propose to sell their Shares;

(iv) to refrain from exercising any dissenters' rights or rights of appraisal under applicable law at any time with respect to such Sale of the Company;

(v) if the consideration for such Shares pursuant to the Sale of the Company includes any securities, accept in lieu thereof an amount of cash equal to the fair value (as determined in good faith by the Company) of such securities to the extent reasonably necessary (as determined in good faith by the Company) to comply with applicable federal and state securities laws;

(vi) if the Selling Holders appoint a stockholder representative (the "**Stockholder Representative**") for matters affecting the stockholders of the Company under the applicable definitive transaction agreements, to consent to (i) the appointment of such Stockholder Representative, (ii) the establishment of any applicable escrow, expense or similar fund in connection with any indemnification or similar obligations, and (iii) the payment of such Stockholder's pro rata portion (from the applicable escrow or expense fund or otherwise) of any and all reasonable fees and expenses to such Stockholder Representative in connection with such Stockholder Representative's services and duties in connection with such Sale of the Company and its related service as the representative of the Stockholders;

(vii) to agree to make representations and warranties and to agree to indemnity and other liability obligations in connection with the Sale of the Company on terms and conditions that, taken as a whole, are no less favorable to Optionee than to other holders of Common Stock of the Company; and

(viii) to execute and deliver all related documentation and take such other action in support of the Sale of the Company, as reasonably requested by the Company, including a written consent, release and/or joinder, and to not take any action inconsistent with the Sale of the Company.

(b) **Exceptions**. Notwithstanding the foregoing, an Optionee will not be required to comply with Subsection (a) above in connection with any Sale of the Company unless (i) each holder of each class or series of the Company's stock will receive the same form of consideration for their shares of such class or series as is received by other holders in respect of their shares of such same class or series of stock and (ii) each holder of Common Stock will receive the same amount of consideration per share of Common Stock as is received by other holders in respect of their shares of Common Stock, subject, in each case, to any "rollover" or similar arrangements provided in the definitive documents relating to such Sale of the Company. If the consideration to be paid in exchange for the Shares pursuant to such Sale of the Company includes any securities and due receipt thereof by the Optionee would require under applicable law (x) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities; or (y) the provision to any Optionee of any information other than such information as a prudent issuer would generally furnish in an offering made solely to "accredited investors" as defined in Regulation D promulgated under the Securities Act, the Company may cause to be paid to any such Optionee in lieu thereof, against surrender of the Shares which would have otherwise been sold by such Optionee, an amount in cash equal to the fair value (as determined in good faith by the Company's Board of Directors or the Requisite Parties, as applicable) of the securities which such Optionee would otherwise receive as of the date of the issuance of such securities in exchange for the Shares.

SECTION 13. ADJUSTMENT OF SHARES.

In the event of any transaction described in Section 9(a) of the Plan, the terms of this option (including, without limitation, the number and kind of Shares subject to this option and the Exercise Price) shall be adjusted as set forth in Section 9(a) of the Plan. In the event that the Company is a party to a merger or consolidation or in the event of a sale of all or substantially all of the Company's stock or assets, this option shall be subject to the treatment provided by the Board of Directors in its sole discretion, as provided in Section 9(b) of the Plan.

SECTION 14. MISCELLANEOUS PROVISIONS.

(a) **Rights as a Stockholder**. Neither the Optionee nor the Optionee's representative shall have any rights as a stockholder with respect to any Shares subject to this option until the Optionee or the Optionee's representative becomes entitled to receive such Shares by filing a notice of exercise and paying the Purchase Price pursuant to Sections 4 and 5.

(b) **No Retention Rights**. Nothing in this option or in the Plan shall confer upon the Optionee any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Optionee) or of the Optionee, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

(c) **Notice**. Any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid, (iii) deposit with Federal Express Corporation, with shipping charges prepaid or (iv) deposit with any internationally recognized express mail courier service, with shipping charges prepaid. Notice shall be addressed to the Company at its principal executive office and to the Optionee at the address that he or she most recently provided to the Company in accordance with this Subsection (c). In addition, to the extent required or permitted pursuant to rules established by the Company from time to time, notices may be delivered electronically.

(d) **Modifications and Waivers**. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Optionee and by an authorized officer of the Company (other than the Optionee); provided, however, that a modification that is otherwise favorable to the Optionee (for example, providing the Optionee with additional time to exercise this option after termination of employment or providing for additional forms of payment) but causes this option to lose its tax-favored status (for example, as an ISO) shall not require the consent of the Optionee. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(e) **Entire Agreement**. The Notice of Stock Option Grant, this Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof.

(f) **Choice of Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State.

(g) **Severability**. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

(h) **Binding Effect on Transferees, Heirs, Successors and Assigns**. This Agreement shall be binding upon Optionee's permitted transferees, heirs, successors and assigns; provided that for any such transfer to be deemed effective, the transferee shall agree on a form prescribed by the Company to be bound by the terms and conditions of this Agreement, including the restrictions on transfer in Section 11 and the drag along right in Section 12. The Company shall not record any transfer of Shares on its books or issue a new certificate representing any such Shares unless and until such transferee shall have complied with the terms of this Subsection (h).

SECTION 15. ACKNOWLEDGEMENTS OF THE OPTIONEE.

In addition to the other terms, conditions and restrictions imposed on this option and the Shares issuable under this option pursuant to this Agreement and the Plan, the Optionee expressly acknowledges being subject to Sections 7 (Right of Repurchase), 8 (Right of First Refusal), 9 (Legality of Initial Issuance), 11 (Restrictions on Transfer of Shares, including without limitation the Market Stand-Off) and 12 (Drag Along Right), as well as the following provisions:

(a) **Tax Consequences**. The Optionee agrees that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes the Optionee's tax liabilities. The Optionee shall not make any claim against the Company or its Board of Directors, officers or employees related to tax liabilities arising from this option or the Optionee's other compensation. In particular, any Optionee subject to U.S. taxation acknowledges that this option is exempt from Section 409A of the Code only if the Exercise Price is at least equal to the Fair Market Value per Share on the Date of Grant. Since Shares are not traded on an established securities market, the determination of their Fair Market Value is made by the Board of Directors or by an independent valuation firm retained by the Company. The Optionee acknowledges that there is no guarantee in either case that the Internal Revenue Service will agree with the valuation, and the Optionee shall not make any claim against the Company or its Board of Directors, officers or employees in the event that the Internal Revenue Service asserts that the valuation was too low. In addition, if this option is designated as an ISO, the Optionee acknowledges that there is no guarantee that the option in fact qualifies for incentive stock option treatment or that it will continue to qualify for incentive stock option treatment at the time of exercise. In this regard, the Optionee acknowledges that the Company may take actions that will cause the option to cease to be eligible for incentive stock option treatment and that such actions do not require the Optionee's consent.

(b) **Electronic Delivery of Documents**. The Optionee acknowledges and agrees that the Company may, in its sole discretion, deliver all documents relating to the Company, the Plan or this option and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the Securities and Exchange Commission) by email or other means of electronic transmission (including by posting them on a website maintained by the Company or a third party under contract with the Company). The Optionee acknowledges that he or she may incur costs in connection with any such delivery by means of electronic transmission, including the cost of accessing the internet and printing fees, and that an interruption of internet access may interfere with his or her ability to access the documents.

(c) **No Notice of Expiration Date**. The Optionee agrees that the Company and its officers, employees, attorneys and agents do not have any obligation to notify him or her prior to the expiration of this option pursuant to Section 6, regardless of whether this option will expire at the end of its full term or on an earlier date related to the termination of the Optionee's Service. The Optionee further agrees that he or she has the sole responsibility for monitoring the expiration of this option and for exercising this option, if at all, before it expires. This Subsection (c) shall supersede any contrary representation that may have been made, orally or in writing, by the Company or by an officer, employee, attorney or agent of the Company.

(d) **Waiver of Statutory Information Rights**. The Optionee acknowledges and agrees that, upon exercise of this option and until the first sale of the Company's Stock to the general public pursuant to a registration statement filed under the Securities Act, he or she shall waive, and shall be deemed to have waived, any rights the Optionee would otherwise have under Section 220 of the Delaware General Corporation Law (or under similar rights pursuant to any other applicable law) to inspect for any purpose and to make copies and extracts from the Company's stock ledger, a list of its stockholders and its other books and records or the books and records of any subsidiary of the Company (the "**Inspection Rights**"). The Optionee acknowledges and understands that, but for the waiver made herein, the Optionee would be entitled, upon compliance with the procedures set forth in Section 220 of the Delaware General Corporation Law, to Inspection Rights pursuant thereto, and further acknowledges and agrees that the waiver set forth herein is a knowing and voluntary waiver of such rights, that the Optionee has received sufficient consideration for such waiver and that the Company would not be willing to provide the benefits to the Optionee hereunder without the benefit of such waiver from the Optionee. This waiver applies only in the Optionee's capacity as a stockholder and does not affect any other inspection rights the Optionee may have pursuant to any written agreement with the Company.

(e) **Plan Discretionary**. The Optionee understands and acknowledges that (i) the Plan is entirely discretionary, (ii) the Company and the Optionee's employer have reserved the right to amend, suspend or terminate the Plan at any time, (iii) the grant of an option does not in any way create any contractual or other right to receive additional grants of options (or benefits in lieu of options) at any time or in any amount and (iv) all determinations with respect to any additional grants, including (without limitation) the times when options will be granted, the number of Shares offered, the Exercise Price and the vesting schedule, will be at the sole discretion of the Company.

(f) **Termination of Service**. The Optionee understands and acknowledges that participation in the Plan ceases upon termination of his or her Service for any reason, except as may explicitly be provided otherwise in the Plan or this Agreement.

(g) **Extraordinary Compensation**. The value of this option shall be an extraordinary item of compensation outside the scope of the Optionee's employment contract, if any, and shall not be considered a part of his or her normal or expected compensation for purposes of calculating severance, resignation, redundancy or end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

(h) **Authorization to Disclose**. The Optionee hereby authorizes and directs the Optionee's employer to disclose to the Company or any Subsidiary any information regarding the Optionee's employment, the nature and amount of the Optionee's compensation and the fact and conditions of the Optionee's participation in the Plan, as the Optionee's employer deems necessary or appropriate to facilitate the administration of the Plan.

(i) **Personal Data Authorization**. The Optionee consents to the collection, use and transfer of personal data as described in this Subsection (i). The Optionee understands and acknowledges that the Company, the Optionee's employer and the Company's other Subsidiaries hold certain personal information regarding the Optionee for the purpose of managing and administering the Plan, including (without limitation) the Optionee's name, home address, telephone number, date of birth, social insurance number, salary, nationality, job title, any Shares or directorships held in the Company and details of all options or any other entitlements to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Optionee's favor (the "**Data**"). The Optionee further understands and acknowledges that the Company and/or its Subsidiaries will transfer Data among themselves as necessary for the purpose of implementation, administration and management of the Optionee's participation in the Plan and that the Company and/or any Subsidiary may each further transfer Data to any third party assisting the Company in the implementation, administration and management of the Plan. The Optionee understands and acknowledges that the recipients of Data may be located in the United States or elsewhere. The Optionee authorizes such recipients to receive, possess, use, retain and transfer Data, in electronic or other form, for the purpose of administering the Optionee's participation in the Plan, including a transfer to any broker or other third party with whom the Optionee elects to deposit Shares acquired under the Plan of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Optionee's behalf. The Optionee may, at any time, view the Data, require any necessary modifications of Data or withdraw the consents set forth in this Subsection (i) by contacting the Company in writing.

SECTION 16. DEFINITIONS.

(a) "**Agreement**" shall mean this Stock Option Agreement.

(b) "**Board of Directors**" shall mean the Board of Directors of the Company, as constituted from time to time or, if a Committee has been appointed, such Committee.

(c) "**Certificate**" shall mean the Company's amended and restated certificate of incorporation as in effect from time to time.

(d) "**Company**" shall mean Esker Therapeutics, Inc. f/k/a FL2021-001, Inc., a Delaware corporation.

(e) "**Immediate Family**" shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law and shall include adoptive relationships.

(f) "**Optionee**" shall mean the person named in the Notice of Stock Option Grant.

(g) "**Plan**" shall mean the Esker Therapeutics, Inc. 2021 Stock Plan, as in effect on the Date of Grant.

(h) "**Purchase Price**" shall mean the Exercise Price multiplied by the number of Shares with respect to which this option is being exercised.

(i) "**Repurchase Period**" shall mean a period of 90 consecutive days commencing on the date when the Optionee's Service terminates for any reason, including (without limitation) death or disability.

(j) "**Requisite Parties**" shall mean both the Board of Directors and the Selling Holders.

(k) "**Restricted Share**" shall mean a Share that is subject to the Right of Repurchase.

(l) "**Right of First Refusal**" shall mean the Company's right of first refusal described in Section 8.

(m) "**Right of Repurchase**" shall mean the Company's right of repurchase described in Section 7.

(n) "**Sale of the Company**" shall mean: (i) a transaction or series of related transactions in which a person, or a group of related persons, acquires from stockholders of the Company shares representing more than fifty percent (50%) of the outstanding voting power of the Company (a "**Stock Sale**"), (ii) a sale of all or substantially all of the assets of the Company or (iii) any other transaction that qualifies as a "Liquidation Event" as defined in the Certificate.

(o) "**Selling Holders**" shall mean the holders of a majority of the then-outstanding shares of Common Stock (voting together as a single class and on an as-converted basis).

(p) "**Service**" shall mean service as an Employee, Outside Director or Consultant.

(q) "**Transferee**" shall mean any person to whom the Optionee has directly or indirectly transferred any Share acquired under this Agreement.

(r) "**Transfer Notice**" shall mean the notice of a proposed transfer of Shares described in Section 8.

(s) "**U.S. Person**" shall mean a person described in Rule 902(k) of Regulation S of the Securities Act (or any successor rule or provision), which generally defines a U.S. person as any natural person resident in the United States, any estate of which any executor or administrator is a U.S. Person, or any trust of which of any trustee is a U.S. Person.

ALUMIS INC.

2024 PERFORMANCE OPTION PLAN

ADOPTED BY THE BOARD OF DIRECTORS: May 6, 2024
APPROVED BY THE STOCKHOLDERS: May 13, 2024
TERMINATION DATE: May 5, 2034

1. General.

(a) Eligible Stock Award Recipients. Employees, Directors and Consultants are eligible to receive Stock Awards.

(b) Available Stock Awards. The Plan provides for the grant of the following types of Stock Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, and (iii) Restricted Stock Awards.

(c) Purpose. The Plan, through the grant of Stock Awards, is intended to help the Company secure and retain the services of eligible award recipients, provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate and provide a means by which the eligible recipients may benefit from increases in value of the Common Stock.

2. Administration.

(a) Administration by the Board. The Board will administer the Plan. The Board may delegate administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b) Powers of the Board. The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine (A) who will be granted Stock Awards; (B) when and how each Stock Award will be granted; (C) what type of Stock Award will be granted; (D) the provisions of each Stock Award (which need not be identical), including when a person will be permitted to exercise or otherwise receive cash or Common Stock under the Stock Award; (E) the number of shares of Common Stock subject to, or the cash value of, a Stock Award; and (F) the Fair Market Value applicable to a Stock Award.

(ii) To construe and interpret the Plan and Stock Awards granted under it, and to establish, amend and revoke rules and regulations for administration of the Plan and Stock Awards. The Board, in the exercise of these powers, may correct any defect, omission or inconsistency in the Plan or in any Stock Award Agreement, in a manner and to the extent it will deem necessary or expedient to make the Plan or Stock Award fully effective.

(iii) To settle all controversies regarding the Plan and Stock Awards granted under it.

(iv) To accelerate, in whole or in part, the time at which a Stock Award may be exercised or vest (or the time at which cash or shares of Common Stock may be issued in settlement thereof).

(v) To suspend or terminate the Plan at any time. Except as otherwise provided in the Plan or a Stock Award Agreement, suspension or termination of the Plan will not impair a Participant's rights under the Participant's then-outstanding Stock Award without the Participant's written consent except as provided in subsection (viii) below.

(vi) To amend the Plan in any respect the Board deems necessary or advisable, including, without limitation, by adopting amendments relating to Incentive Stock Options and certain nonqualified deferred compensation under Section 409A of the Code and/or bringing the Plan or Stock Awards granted under the Plan into compliance with the requirements for Incentive Stock Options or ensuring that they are exempt from, or compliant with, the requirements for nonqualified deferred compensation under Section 409A of the Code, subject to the limitations, if any, of applicable law. If required by applicable law or listing requirements, and except as provided in Section 9(a) relating to Capitalization Adjustments, the Company will seek stockholder approval of any amendment of the Plan that (A) materially increases the number of shares of Common Stock available for issuance under the Plan, (B) materially expands the class of individuals eligible to receive Stock Awards under the Plan, (C) materially increases the benefits accruing to Participants under the Plan, (D) materially reduces the price at which shares of Common Stock may be issued or purchased under the Plan, (E) materially extends the term of the Plan, or (F) materially expands the types of Stock Awards available for issuance under the Plan. Except as otherwise provided in the Plan or a Stock Award Agreement, no amendment of the Plan will materially impair a Participant's rights under an outstanding Stock Award without the Participant's written consent.

(vii) To submit any amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of Section 422 of the Code regarding Incentive Stock Options.

(viii) To approve forms of Stock Award Agreements for use under the Plan and to amend the terms of any one or more Stock Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Stock Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; *provided however,* that a Participant's rights under any Stock Award will not be impaired by any such amendment unless (A) the Company requests the consent of the affected Participant, and (B) such Participant consents in writing. Notwithstanding the foregoing, (1) a Participant's rights will not be deemed to have been impaired by any such amendment if the Board, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair the Participant's rights, and (2) subject to the limitations of applicable law, if any, the Board may amend the terms of any one or more Stock Awards without the affected Participant's consent (A) to maintain the qualified status of the Stock Award as an Incentive Stock Option under Section 422 of the Code; (B) to change the terms of an Incentive Stock Option, if such change results in impairment of the Stock Award solely because it impairs the qualified status of the Stock Award as an Incentive Stock Option under Section 422 of the Code; (C) to clarify the manner of exemption from, or to bring the Stock Award into compliance with, Section 409A of the Code; or (D) to comply with other applicable laws.

(ix) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Stock Awards.

(x) To adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by Employees, Directors or Consultants who are foreign nationals or employed outside the United States (provided that Board approval will not be necessary for immaterial modifications to the Plan or any Stock Award Agreement that are required for compliance with the laws of the relevant foreign jurisdiction).

(xi) To effect, with the consent of any adversely affected Participant, (A) the reduction of the exercise, purchase or strike price of any outstanding Stock Award; (B) the cancellation of any outstanding Stock Award and the grant in substitution therefor of a new (1) Option, (2) Restricted Stock Award, (3) cash and/or (4) other valuable consideration determined by the Board, in its sole discretion, with any such substituted award (x) covering the same or a different number of shares of Common Stock as the cancelled Stock Award and (y) granted under the Plan or another equity or compensatory plan of the Company; or (C) any other action that is treated as a repricing under generally accepted accounting principles.

(c) Delegation to Committee. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee, as applicable). Any delegation of administrative powers will be reflected in resolutions, not inconsistent with the provisions of the Plan, adopted from time to time by the Board or Committee (as applicable). The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

(d) Delegation to Other Person or Body. The Board may delegate to one or more persons or bodies, in addition to the Board, the authority to do one or both of the following: (i) designate recipients of Options (and, to the extent permitted by applicable law, other Stock Awards) and, to the extent permitted by applicable law, the terms of such Stock Awards, and (ii) determine the number of shares of Common Stock to be subject to such Stock Awards granted to such recipients; *provided, however*, that the Board resolutions regarding such delegation will fix the terms of such delegation in accordance with applicable law, including without limitation Sections 152 and/or 157 of the Delaware General Corporation Law, and *provided* that no Board resolution may permit a person or body to grant a Stock Award to such person or body. Any such Stock Awards will be granted on the form of Stock Award Agreement most recently approved for use by the Committee or the Board, unless otherwise provided in the resolutions approving the delegation authority. The Board may not delegate authority to determine the Fair Market Value pursuant to Section 13(t) below to any person or body, except that the Board may delegate such authority to a Committee or Committees of the Board in accordance with Section 2(c) above.

(e) Effect of Board's Decision. All determinations, interpretations and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

3. Shares Subject to the Plan.

(a) Share Reserve.

(i) Subject to Section 9(a) relating to Capitalization Adjustments, the aggregate number of shares of Common Stock that may be issued pursuant to Stock Awards from and after the Effective Date will not exceed 8,792,402 shares (the ***"Share Reserve"***).

(ii) For clarity, the Share Reserve in this Section 3(a) is a limitation on the number of shares of Common Stock that may be issued pursuant to the Plan. Accordingly, this Section 3(a) does not limit the granting of Stock Awards except as provided in Section 7(a).

(b) Reversion of Shares to the Share Reserve. If a Stock Award or any portion thereof (i) expires or otherwise terminates without all of the shares covered by such Stock Award having been issued or (ii) is settled in cash (*i.e.*, the Participant receives cash rather than stock), such expiration, termination or settlement will not reduce (or otherwise offset) the number of shares of Common Stock that may be available for issuance under the Plan. If any shares of Common Stock issued pursuant to a Stock Award are forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required to vest such shares in the Participant, then the shares that are forfeited or repurchased will revert to and again become available for issuance under the Plan. Any shares reacquired by the Company in satisfaction of tax withholding obligations on a Stock Award or as consideration for the exercise or purchase price of a Stock Award will again become available for issuance under the Plan.

(c) Incentive Stock Option Limit. Subject to the Share Reserve and Section 9(a) relating to Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options will be a number of shares of Common Stock equal to three multiplied by the Share Reserve.

(d) Source of Shares. The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

4. Eligibility.

(a) Eligibility for Specific Stock Awards. Incentive Stock Options may be granted only to employees of the Company or a "parent corporation" or "subsidiary corporation" thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code). Stock Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants; *provided, however*, that Stock Awards may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any "parent" of the Company, as such term is defined in Rule 405, unless (i) the stock underlying such Stock Awards is treated as "service recipient stock" under Section 409A of the Code (for example, because the Stock Awards are granted pursuant to a corporate transaction such as a spin off transaction), (ii) the Company, in consultation with its legal counsel, has determined that such Stock Awards are otherwise exempt from Section 409A of the Code, or (iii) the Company, in consultation with its legal counsel, has determined that such Stock Awards comply with the distribution requirements of Section 409A of the Code.

(b) Ten Percent Stockholders. A Ten Percent Stockholder will not be granted an Incentive Stock Option unless the exercise price of such Option is at least 110% of the Fair Market Value on the date of grant and the Option is not exercisable after the expiration of five years from the date of grant.

(c) Consultants. A Consultant will not be eligible for the grant of a Stock Award if, at the time of grant, either the offer or sale of the Company's securities to such Consultant is not exempt under Rule 701 because of the nature of the services that the Consultant is providing to the Company, because the Consultant is not a natural person, or because of any other provision of Rule 701, unless the Company determines that such grant need not comply with the requirements of Rule 701 and will satisfy another exemption under the Securities Act as well as comply with the securities laws of all other relevant jurisdictions**.**

5. Provisions Relating to Options.

Each Option will be in such form and will contain such terms and conditions as the Board deems appropriate. All Options will be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. If an Option is not specifically designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The provisions of separate Options need not be identical; *provided, however*, that each Stock Award Agreement will conform to (through incorporation of provisions hereof by reference in the applicable Stock Award Agreement or otherwise) the substance of each of the following provisions:

(a) Term. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, no Option will be exercisable after the expiration of 10 years from the date of its grant or such shorter period specified in the Stock Award Agreement.

(b) Exercise Price. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, the exercise or strike price of each Option will be not less than 100% of the Fair Market Value of the Common Stock subject to the Option on the date the Stock Award is granted. Notwithstanding the foregoing, an Option may be granted with an exercise or strike price lower than 100% of the Fair Market Value of the Common Stock subject to the Stock Award if such Stock Award is granted pursuant to an assumption of or substitution for another option pursuant to a Corporate Transaction and in a manner consistent with the provisions of Section 409A of the Code and, if applicable, Section 424(a) of the Code.

(c) Purchase Price for Options. The purchase price of Common Stock acquired pursuant to the exercise of an Option may be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below. The Board will have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to use a particular method of payment. The permitted methods of payment are as follows:

(i) by cash, check, bank draft, electronic funds transfer or money order payable to the Company;

(ii) subject to Company and/or Board consent at the time of exercise and provided that at the time of exercise the Common Stock is publicly traded, pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of Common Stock, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds. This manner of payment is also known as a "broker-assisted exercise", "same day sale", or "sell to cover";

(iii) subject to Company and/or Board consent at the time of exercise and provided that at the time of exercise the Common Stock is publicly traded, by delivery to the Company (either by actual delivery or attestation) of already-owned shares of Common Stock that are owned free and clear of any liens, claims, encumbrances or security interests, and that are valued at Fair Market Value on the date of exercise. "Delivery" for these purposes, in the sole discretion of the Company and/or the Board, at the time Participant exercises their Option, will include delivery to the Company of Participant's attestation of ownership of such shares of Common Stock in a form approved by the Company. Participant may not exercise their option by delivery to the Company of Common Stock if doing so would violate the provisions of any law, regulation or agreement restricting the redemption of the Company's stock;

(iv) subject to Company and/or Board consent at the time of exercise, and provided that the Option is a Nonstatutory Stock Option, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Common Stock issued upon exercise of the Option by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price plus, to the extent permitted by the Company and/or Board at the time of exercise, the aggregate withholding obligations in respect of the Option exercise; provided, further that Participant must pay any remaining balance of the aggregate exercise price not satisfied by the "net exercise" in cash or other permitted form of payment. Shares of Common Stock will no longer be subject to the Option and will not be exercisable thereafter to the extent that (A) shares issuable upon exercise are used to pay the exercise price pursuant to the "net exercise," (B) shares are delivered to the Participant as a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations;

(v) according to a deferred payment or similar arrangement with the Optionholder; *provided, however*, that interest will compound at least annually and will be charged at the minimum rate of interest necessary to avoid (A) the imputation of interest income to the Company and compensation income to the Optionholder under any applicable provisions of the Code, and (B) the classification of the Option as a liability for financial accounting purposes; or

(vi) in any other form of legal consideration that may be acceptable to the Board.

(d) Transferability of Options. The Board may, in its sole discretion, impose such limitations on the transferability of Options as the Board will determine. In the absence of such a determination by the Board to the contrary, the following restrictions on the transferability of Options will apply:

(i) Restrictions on Transfer. An Option will not be transferable except by will or by the laws of descent and distribution (or pursuant to subsections (ii) and (iii) below), and will be exercisable during the lifetime of the Participant only by the Participant. The Board may permit transfer of the Option in a manner that is not prohibited by applicable tax and securities laws. Except as explicitly provided in the Plan, an Option may not be transferred for consideration.

(ii) Domestic Relations Orders. Subject to the approval of the Board or a duly authorized Officer, an Option may be transferred pursuant to the terms of a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulation 1.421-1(b)(2). If an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(iii) Beneficiary Designation. Subject to the approval of the Board or a duly authorized Officer, a Participant may, by delivering written notice to the Company, in a form approved by the Company (or the designated broker), designate a third party who, upon the death of the Participant, will thereafter be entitled to exercise the Option and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, upon the death of the Participant, the executor or administrator of the Participant's estate will be entitled to exercise the Option and receive the Common Stock or other consideration resulting from such exercise. However, the Company may prohibit designation of a beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of applicable laws.

(e) Vesting Generally. The total number of shares of Common Stock subject to an Option may vest and therefore become exercisable in periodic installments that may or may not be equal. The Option may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on the satisfaction of performance goals or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options may vary. The provisions of this Section 5(e) are subject to any Option provisions governing the minimum number of shares of Common Stock as to which an Option may be exercised.

(f) Termination of Continuous Service. Except as otherwise provided in the applicable Stock Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates (other than for Cause and other than upon the Participant's death or Disability), the Participant may exercise his or her Option (to the extent that the Participant was entitled to exercise such Stock Award as of the date of termination of Continuous Service) within the period of time ending on the earlier of (i) the date three months following the termination of the Participant's Continuous Service (or such longer or shorter period specified in the applicable Stock Award Agreement, which period will not be less than 30 days if necessary to comply with applicable laws unless such termination is for Cause) and (ii) the expiration of the term of the Option as set forth in the Stock Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option (as applicable) within the applicable time frame, the Option will terminate.

(g) Extension of Termination Date. If the exercise of an Option following the termination of the Participant's Continuous Service (other than for Cause and other than upon the Participant's death or Disability) would be prohibited at any time solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, then the Option will terminate on the earlier of (i) the expiration of a total period of time (that need not be consecutive) equal to the applicable post-termination exercise period after the termination of the Participant's Continuous Service during which the exercise of the Option would not be in violation of such registration requirements, and (ii) the expiration of the term of the Option as set forth in the applicable Stock Award Agreement. In addition, unless otherwise provided in a Participant's Stock Award Agreement, if the sale of any Common Stock received upon exercise of an Option following the termination of the Participant's Continuous Service (other than for Cause) would violate the Company's insider trading policy, then the Option will terminate on the earlier of (i) the expiration of the period of time (that need not be consecutive) equal to the applicable post-termination exercise period after the termination of the Participant's Continuous Service during which the sale of the Common Stock received upon exercise of the Option would not be in violation of the Company's insider trading policy, and (ii) the expiration of the term of the Option as set forth in the applicable Stock Award Agreement.

(h) Disability of Participant. Except as otherwise provided in the applicable Stock Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may exercise his or her Option (to the extent that the Participant was entitled to exercise such Option as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date 12 months following such termination of Continuous Service (or such longer or shorter period specified in the Stock Award Agreement, which period will not be less than six months if necessary to comply with applicable laws unless such termination is for Cause), and (ii) the expiration of the term of the Option as set forth in the Stock Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option within the applicable time frame, the Option (as applicable) will terminate.

(i) Death of Participant. Except as otherwise provided in the applicable Stock Award Agreement or other agreement between the Participant and the Company, if (i) a Participant's Continuous Service terminates as a result of the Participant's death, or (ii) the Participant dies within the period (if any) specified in the Stock Award Agreement for exercisability after the termination of the Participant's Continuous Service (for a reason other than death), then the Option may be exercised (to the extent the Participant was entitled to exercise such Option as of the date of death) by the Participant's estate, by a person who acquired the right to exercise the Option by bequest or inheritance or by a person designated to exercise the Option upon the Participant's death, but only within the period ending on the earlier of (i) the date 18 months following the date of death (or such longer or shorter period specified in the Stock Award Agreement, which period will not be less than six months if necessary to comply with applicable laws unless such termination is for Cause), and (ii) the expiration of the term of such Option as set forth in the Stock Award Agreement. If, after the Participant's death, the Option is not exercised within the applicable time frame, the Option will terminate.

(j) Termination for Cause. Except as explicitly provided otherwise in a Participant's Stock Award Agreement or other individual written agreement between the Company or any Affiliate and the Participant, if a Participant's Continuous Service is terminated for Cause, the Option will terminate immediately upon such Participant's termination of Continuous Service, and the Participant will be prohibited from exercising his or her Option (whether vested or unvested) from and after the date of such termination of Continuous Service.

(k) Non-Exempt Employees. If an Option is granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, the Option will not be first exercisable for any shares of Common Stock until at least six months following the date of grant of the Option (although the Stock Award may vest prior to such date). Consistent with the provisions of the Worker Economic Opportunity Act, (i) if such non-exempt Employee dies or suffers a Disability, (ii) upon a Corporate Transaction in which such Option is not assumed, continued, or substituted, (iii) upon a Change in Control, or (iv) upon the Participant's retirement (as such term may be defined in the Participant's Stock Award Agreement, in another agreement between the Participant and the Company, or, if no such definition, in accordance with the Company's then current employment policies and guidelines), the vested portion of any Options may be exercised earlier than six months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option will be exempt from his or her regular rate of pay. To the extent permitted and/or required for compliance with the Worker Economic Opportunity Act to ensure that any income derived by a non-exempt employee in connection with the exercise, vesting or issuance of any shares under any other Stock Award will be exempt from the employee's regular rate of pay, the provisions of this Section 5(k) will apply to all Stock Awards and are hereby incorporated by reference into such Stock Award Agreements.

(l) Early Exercise of Options. An Option may, but need not, include a provision whereby the Optionholder may elect at any time before the Optionholder's Continuous Service terminates to exercise the Option as to any part or all of the shares of Common Stock subject to the Option prior to the full vesting of the Option. Subject to the "Repurchase Limitation" in Section 8(l), any unvested shares of Common Stock so purchased may be subject to a repurchase right in favor of the Company or to any other restriction the Board determines to be appropriate. Provided that the "Repurchase Limitation" in Section 8(l) is not violated, the Company will not be required to exercise its repurchase right until at least six months (or such longer or shorter period of time required to avoid classification of the Option as a liability for financial accounting purposes) have elapsed following exercise of the Option unless the Board otherwise specifically provides in the Option Agreement.

(m) Right of Repurchase. Subject to the "Repurchase Limitation" in Section 8(l), the Option may include a provision whereby the Company may elect to repurchase all or any part of the vested shares of Common Stock acquired by the Participant pursuant to the exercise of the Option.

(n) Right of First Refusal. The Option may include a provision whereby the Company may elect to exercise a right of first refusal following receipt of notice from the Participant of the intent to transfer all or any part of the shares of Common Stock received upon the exercise of the Option. Such right of first refusal will be subject to the "Repurchase Limitation" in Section 8(l). Except as expressly provided in this Section 5(n) or in the Stock Award Agreement, such right of first refusal will otherwise comply with any applicable provisions of the bylaws of the Company.

6. Provisions Relating to Restricted Stock Awards.

Each Restricted Stock Award Agreement will be in such form and will contain such terms and conditions as the Board will deem appropriate. To the extent consistent with the Company's bylaws, at the Board's election, shares of Common Stock underlying a Restricted Stock Award may be (i) held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Stock Award lapse; or (ii) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. The terms and conditions of Restricted Stock Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Award Agreements need not be identical. Each Restricted Stock Award Agreement will conform to (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(a) Consideration. A Restricted Stock Award may be awarded in consideration for (A) cash, check, bank draft or money order payable to the Company, (B) past services to the Company or an Affiliate, or (C) any other form of legal consideration (including future services) that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(b) Vesting. Subject to the "Repurchase Limitation" in Section 8(l), shares of Common Stock awarded under the Restricted Stock Award Agreement may be subject to forfeiture to the Company in accordance with a vesting schedule to be determined by the Board.

(c) Termination of Participant's Continuous Service. If a Participant's Continuous Service terminates, the Company may receive through a forfeiture condition or a repurchase right, any or all of the shares of Common Stock held by the Participant that have not vested as of the date of termination of Continuous Service under the terms of the Restricted Stock Award Agreement.

(d) Transferability. Rights to acquire shares of Common Stock under the Restricted Stock Award Agreement will be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award Agreement, as the Board will determine in its sole discretion, so long as Common Stock awarded under the Restricted Stock Award Agreement remains subject to the terms of the Restricted Stock Award Agreement.

(e) Dividends. A Restricted Stock Award Agreement may provide that any dividends paid on shares subject to the Restricted Stock Award will be subject to the same vesting and forfeiture restrictions as apply to the shares subject to the Restricted Stock Award to which they relate.

7. Covenants of the Company.

(a) Availability of Shares. The Company will keep available at all times the number of shares of Common Stock reasonably required to satisfy then-outstanding Stock Awards.

(b) Securities Law Compliance. The Company will seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Stock Awards and to issue and sell shares of Common Stock upon exercise of the Stock Awards; *provided, however,* that this undertaking will not require the Company to register under the Securities Act the Plan, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Company will be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Stock Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of a Stock Award or the subsequent issuance of cash or Common Stock pursuant to the Stock Award if such grant or issuance would be in violation of any applicable securities law.

(c) No Obligation to Notify or Minimize Taxes. The Company will have no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Stock Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of a Stock Award or a possible period in which the Stock Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of a Stock Award to the holder of such Stock Award.

8. Miscellaneous.

(a) Use of Proceeds from Sales of Common Stock. Proceeds from the sale of shares of Common Stock pursuant to Stock Awards will constitute general funds of the Company.

(b) Corporate Action Constituting Grant of Stock Awards. Corporate action constituting a grant by the Company of a Stock Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Stock Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Stock Award Agreement or related grant documents as a result of a clerical error in the papering of the Stock Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Stock Award Agreement or related grant documents.

(c) Stockholder Rights. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to a Stock Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance of shares of Common Stock under, the Stock Award pursuant to its terms, and (ii) the issuance of the Common Stock subject to the Stock Award has been entered into the books and records of the Company.

(d) No Employment or Other Service Rights. Nothing in the Plan, any Stock Award Agreement or any other instrument executed thereunder or in connection with any Stock Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Stock Award was granted or will affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

(e) Change in Time Commitment. In the event a Participant's regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee or takes an extended leave of absence) after the date of grant of any Stock Award to the Participant, the Board has the right in its sole discretion to (x) make a corresponding reduction in the number of shares subject to any portion of such Stock Award that is scheduled to vest or become payable after the date of such change in time commitment, and (y) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Stock Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Stock Award that is so reduced or extended.

(f) Incentive Stock Option Limitations. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds $100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

(g) Investment Assurances. The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any Stock Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that the Participant is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Stock Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock subject to the Stock Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative if (A) the issuance of the shares upon the exercise or acquisition of Common Stock under the Stock Award has been registered under a then currently effective registration statement under the Securities Act, or (B) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

(h) Withholding Obligations. Unless prohibited by the terms of a Stock Award Agreement, the Company may, in its sole discretion, satisfy any federal, state or local tax withholding obligation relating to a Stock Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Stock Award; *provided, however*, that no shares of Common Stock are withheld with a value exceeding the maximum amount of tax required to be withheld by law (or such lesser amount as may be necessary to avoid classification of the Stock Award as a liability for financial accounting purposes); (iii) withholding cash from a Stock Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; or (v) by such other method as may be set forth in the Stock Award Agreement.

(i) Electronic Delivery. Any reference herein to a "written" agreement or document will include any agreement or document delivered electronically or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access).

(j) Deferrals. To the extent permitted by applicable law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Stock Award may be deferred and may establish programs and procedures for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A of the Code. Consistent with Section 409A of the Code, the Board may provide for distributions while a Participant is still an employee or otherwise providing services to the Company. The Board is authorized to make deferrals of Stock Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participant's termination of Continuous Service, and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable law.

(k) Compliance with Section 409A of the Code. To the extent that the Board determines that any Stock Award granted hereunder is subject to Section 409A of the Code, the Stock Award Agreement evidencing such Stock Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code. To the extent applicable, the Plan and Stock Award Agreements will be interpreted in accordance with Section 409A of the Code. Notwithstanding anything to the contrary in the Plan (and unless the Stock Award Agreement specifically provides otherwise), if the shares of Common Stock are publicly traded, and if a Participant holding a Stock Award that constitutes "deferred compensation" under Section 409A of the Code is a "specified employee" for purposes of Section 409A of the Code, no distribution or payment of any amount that is due because of a "separation from service" (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date that is six months following the date of such Participant's "separation from service" (as defined in Section 409A of the Code without regard to alternative definitions thereunder) or, if earlier, the date of the Participant's death, unless such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six month period elapses, with the balance paid thereafter on the original schedule.

(l) Repurchase Limitation. The terms of any repurchase right will be specified in the Stock Award Agreement. The repurchase price for vested shares of Common Stock will be the Fair Market Value of the shares of Common Stock on the date of repurchase. The repurchase price for unvested shares of Common Stock will be the lower of (i) the Fair Market Value of the shares of Common Stock on the date of repurchase or (ii) their original purchase price. However, the Company will not exercise its repurchase right until at least six months (or such longer or shorter period of time necessary to avoid classification of the Stock Award as a liability for financial accounting purposes) have elapsed following delivery of shares of Common Stock subject to the Stock Award, unless otherwise specifically provided by the Board.

(m) Further Information and Action. Upon request from the Company at any time, any Participant (and any individuals affiliated with a Participant that are beneficial owners of the Company, if applicable) will promptly provide the Company with such information and take such other actions as the Company may request in connection with any obligations the Company may have under applicable law, rule, or regulation, or to comply with requests by applicable regulatory authorities. All information provided by a Participant (or an individual affiliated with a Participant) pursuant to this paragraph shall be accurate and complete. Any Participant (and any individuals affiliated with a Participant that are beneficial owners of the Company, if applicable) will submit to the Company (or other recipient as directed by the Company) any updates to such information within 15 days after any change in, or correction to, any such information. For purposes of this paragraph, the term "beneficial owner" shall have the meaning ascribed to it in the Bank Secrecy Act as amended by the Corporate Transparency Act and any regulations promulgated thereunder (as amended from time to time).

9. Adjustments upon Changes in Common Stock; Other Corporate Events.

(a) Capitalization Adjustments. In the event of a Capitalization Adjustment, then: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a), (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c), and (iii) the class(es) and number of securities and price per share of stock subject to outstanding Stock Awards will be proportionately adjusted and such adjustment shall occur automatically. To the extent such adjustments cannot occur automatically, the Board shall have the power to make determinations as it deems necessary and its determinations and any adjustments under this section will be final, binding and conclusive.

(b) Dissolution or Liquidation. To the extent not previously exercised or settled, Options, Restricted Stock Awards and other rights to purchase shares of Common Stock shall terminate immediately prior to the liquidation or dissolution of the Company.

(c) Corporate Transaction. In the event that the Company is a party to a Corporate Transaction, all shares of Common Stock acquired under the Plan and all Stock Awards outstanding on the effective date of the transaction shall, unless otherwise provided in the instrument evidencing the Stock Award or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of a Stock Award, be treated in the manner described in the definitive transaction agreement (or, in the event the transaction does not entail a definitive agreement to which the Company is party, in the manner determined by the Board in its capacity as administrator of the Plan, with such determination having final and binding effect on all parties), which agreement or determination need not treat all Stock Awards (or all portions of a Stock Award) in an identical manner. The treatment specified in the transaction agreement or as determined by the Board may include (without limitation) one or more of the following with respect to each outstanding Stock Award:

(i) The Company, the surviving corporation or a parent thereof may continue or assume the Stock Award or substitute a comparable award for the Stock Award (including, but not limited to, an award to acquire the same consideration paid to the holders of shares of Common Stock in the transaction). A comparable award need not be the same type of award as the Stock Award for which it is substituted, and, in the case of an Option, need not have the same tax-status (e.g., a Nonstatutory Stock Option may be substituted for an Incentive Stock Option).

(ii) The cancellation of the Stock Award and a payment to the Participant with respect to each share of Common Stock subject to the portion of the Stock Award that is vested as of the transaction date equal to the excess of (A) the value, as determined by the Board in its absolute discretion, of the property (including cash) received by the holder of a share of Common Stock as a result of the transaction, over (if applicable) (B) the per-share exercise price of the Stock Award (such excess, the "***Spread***"). Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving corporation or its parent having a value equal to the Spread. In addition, any escrow, indemnification, holdback, earn-out or similar provisions in the transaction agreement may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of Common Stock. Receipt of the payment described in this Subsection (c)(ii) may be conditioned upon the Participant acknowledging such escrow, indemnification, holdback, earn-out or other provisions on a form prescribed by the Company. If the Spread applicable to a Stock Award is zero or a negative number, then the Stock Award may be cancelled without making a payment to the Participant.

(iii) Even if the Spread applicable to an Option is a positive number, the Option may be cancelled without the payment of any consideration; provided that the Optionholder shall be notified of such treatment and given an opportunity to exercise the Option (to the extent the Option is vested or becomes vested as of the effective date of the transaction) during a period of not less than five (5) business days preceding the effective date of the transaction, unless (A) a shorter period is required to permit a timely closing of the transaction and (B) such shorter period still offers the Optionholder a reasonable opportunity to exercise the Option.

(iv) In the case of an Option: (A) suspension of the Optionholder's right to exercise the Option during a limited period of time preceding the closing of the transaction if such suspension is administratively necessary to facilitate the closing of the transaction and/or (B) termination of any right the holder has to exercise the Option prior to vesting in the shares of Common Stock subject to the Option (i.e., "early exercise"), such that following the closing of the transaction the Option may only be exercised to the extent it is vested.

The Board has discretion to accelerate, in whole or part, the vesting and exercisability of a Stock Award in connection with a Corporate Transaction covered by this Section 9(c). The Board need not take the same action or actions with respect to all Stock Awards or portions thereof or with respect to all Participants. The Board may take different actions with respect to the vested and unvested portions of a Stock Award.

(d) Change in Control. A Stock Award may be subject to additional acceleration of vesting and exercisability upon or after a Change in Control as may be provided in the Stock Award Agreement for such Stock Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant, but in the absence of such provision, no such acceleration will occur.

10. Plan Term; Earlier Termination or Suspension of the Plan.

(a) Plan Term. The Board may suspend or terminate the Plan at any time. Unless terminated sooner by the Board, the Plan will automatically terminate on the day before the 10th anniversary of the earlier of (i) the date the Plan is adopted by the Board, or (ii) the date the Plan is approved by the stockholders of the Company. No Stock Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

(b) No Impairment of Rights. Suspension or termination of the Plan will not impair rights and obligations under any Stock Award granted while the Plan is in effect except with the written consent of the affected Participant or as otherwise permitted in the Plan.

11. Effective Date of Plan.

This Plan will become effective on the Effective Date.

12. Choice of Law.

The laws of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

13. Definitions. As used in the Plan or any Stock Award Agreement, the following definitions will apply to the capitalized terms indicated below, unless otherwise defined in the applicable Stock Award Agreement:

(a) "***Affiliate***" means, at the time of determination, any "parent" or "majority-owned subsidiary" of the Company, as such terms are defined in Rule 405. The Board will have the authority to determine the time or times at which "parent" or "majority-owned subsidiary" status is determined within the foregoing definition.

(b) "***Board***" means the Board of Directors of the Company.

(c) "***Capitalization Adjustment***" means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Stock Award after the Effective Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure, or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(d) "***Cause***" will have the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of any of the following events: (i) Participant's willful or gross neglect and material failure to perform Participant's duties and responsibilities of the Company, including but not limited to a failure to cooperate with the Company in any investigation or formal proceeding; (ii) Participant's commission of any act of fraud, embezzlement, dishonesty or any other intentional misconduct in connection with Participant's responsibilities as an employee that is materially injurious to the Company; (iii) the unauthorized use or disclosure by Participant of any proprietary information or trade secrets of the Company or any other party to whom Participant owes an obligation of nondisclosure as a result of Participant's relationship with the Company; (iv) Participant is convicted of, or enters a no contest plea to, a felony; or (v) Participant's breach of any of Participant's material obligations under any Company policy, written agreement or covenant with the Company. A termination of Participant's Continuous Service under subpart (i), (iii) and (v) shall not be deemed for "Cause" unless the Participant has first been given specific written notice of the subpart and facts relied upon and thirty days to cure. The determination as to whether a Participant is being terminated for "Cause," and whether a Participant has cured any such actions or inactions during any thirty-day cure period with respect to subparts (i), (iii) and (v) and with respect to subpart (v) whether such breach is capable of being cured, shall be made in good faith by the Board.

(e) "***Change in Control***" means: (i) the date that any non-affiliated "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes, subsequent to the date hereof, the "beneficial owner" (as defined in Rule 13d-3 under said act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities, other than pursuant to a sale by the Company of its securities in a transaction or series of related transactions the primary purpose of which is to raise capital for the Company; (ii) the date of the consummation of a merger or consolidation of the Company with any other corporation that has been approved by the stockholders of the Company, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (iii) the date of the consummation of the sale or disposition by the Company of all or substantially all of the Company's assets.

(f) "***Code***" means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(g) "***Committee***" means a committee of one or more Directors to whom authority has been delegated by the Board in accordance with Section 2(c).

(h) "***Common Stock***" means the common stock of the Company.

(i) "***Company***" means Alumis Inc., a Delaware corporation.

(j) "***Constructive Termination***" will have the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term and, in the absence of a definition of such term in the applicable written agreement, such term means, with respect to a Participant, the Participant's resignation from Continuous Service for any of the following, except as otherwise agreed to in writing by the Participant: (i) a material reduction in Participant's job duties, position and responsibilities, taken as a whole; (ii) the Company requires Participant to relocate to a facility or location more than thirty-five (35) miles from the location from the primary location at which Participant was working for the Company immediately before the required change of location; (iii) any reduction of Participant's base salary in effect immediately prior to such reduction (other than as part of an across-the-board, proportional reduction); or (iv) the Company materially breaches the terms of Participant's offer letter or employment agreement (as applicable). Notwithstanding anything else contained herein, in the event of the occurrence of a condition listed above, a Participant must provide notice to the Company within sixty (60) days of the occurrence of a condition listed above and allow the Company thirty (30) days after Participant's delivery of notice to the Company in which to cure such condition. Additionally, in the event the Company fails to cure the condition within the cure period provided, Participant must terminate employment with the Company within ten (10) days of the end of the cure period.

(k) "***Consultant***" means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services (whether directly or indirectly, including without limitation through an engagement with a professional employer organization, employer of record or similar arrangement, and is deemed pursuant to such arrangement to be a consultant or advisor of the Company or an Affiliate under applicable laws) and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, will not cause a Director to be considered a "Consultant" for purposes of the Plan.

(l) "***Continuous Service***" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Director or Consultant or a change in the Entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, will not terminate a Participant's Continuous Service; *provided, however*, that if the Entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board in its sole discretion, such Participant's Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. For example, a change in status from an Employee of the Company to a Consultant of an Affiliate or to a Director will not constitute an interruption of Continuous Service. To the extent permitted by law, Continuous Service shall be deemed to continue while the Participant is on a *bona fide* leave of absence approved by the Company in writing. The Board, in its sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Company, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors.

(m) "***Corporate Transaction***" means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board in its sole discretion, of the consolidated assets of the Company and its Subsidiaries;

(ii) a sale or other disposition of more than 50% of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

(n) "***Director***" means a member of the Board.

(o) "***Disability***" means, with respect to a Participant, the inability of such Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than twelve (12) months as provided in Sections 22(e)(3) and 409A(a)(2)(c)(i) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(p) "***Effective Date***" means the effective date of this Plan, which is the earlier of (i) the date that this Plan is first approved by the Company's stockholders, and (ii) the date this Plan is adopted by the Board.

(q) "***Employee***" means any person employed by the Company or an Affiliate (whether directly or indirectly, including without limitation through an engagement with a professional employer organization, employer of record or similar arrangement, and is deemed pursuant to such arrangement to be an employee of the Company or an Affiliate under applicable laws). However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

(r) "***Entity***" means a corporation, partnership, limited liability company or other entity.

(s) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(t) "***Exchange Act Person***" means any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that "Exchange Act Person" will not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (v) any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Effective Date, is the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities.

(u) "***Fair Market Value***" means, as of any date, the value of the Common Stock determined by the Board in compliance with Section 409A of the Code or, in the case of an Incentive Stock Option, in compliance with Section 422 of the Code.

(v) "***Incentive Stock Option***" means an option granted pursuant to Section 5 of the Plan that is intended to be, and that qualifies as, an "incentive stock option" within the meaning of Section 422 of the Code.

(w) "***Nonstatutory Stock Option***" means an option granted pursuant to Section 5 of the Plan that does not qualify as an Incentive Stock Option.

(x) "***Officer***" means any person designated by the Company as an officer.

(y) "***Option***" means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.

(z) "***Option Agreement***" means a written agreement between the Company and an Optionholder evidencing the terms and conditions of an Option grant. Each Option Agreement will be subject to the terms and conditions of the Plan.

(aa) "***Optionholder***" means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

(bb) "***Own***," "***Owned***," "***Owner***," "***Ownership***" A person or Entity will be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(cc) "***Participant***" means a person to whom a Stock Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Stock Award.

(dd) "***Plan***" means this 2024 Performance Option Plan.

(ee) "***Restricted Stock Award***" means an award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 6.

(ff) "***Restricted Stock Award Agreement***" means a written agreement between the Company and a holder of a Restricted Stock Award evidencing the terms and conditions of a Restricted Stock Award grant. Each Restricted Stock Award Agreement will be subject to the terms and conditions of the Plan.

(gg) "***Rule 405***" means Rule 405 promulgated under the Securities Act.

(hh) "***Rule 701***" means Rule 701 promulgated under the Securities Act.

(ii) "***Securities Act***" means the Securities Act of 1933, as amended.

(jj) "***Stock Award***" means any right to receive Common Stock granted under the Plan, including an Incentive Stock Option, a Nonstatutory Stock Option or a Restricted Stock Award.

(kk) "***Stock Award Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of a Stock Award grant. Each Stock Award Agreement will be subject to the terms and conditions of the Plan.

(ll) "***Subsidiary***" means, with respect to the Company, (i) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%.

(mm) "***Ten Percent Stockholder***" means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Affiliate.

Exhibit 10.7

ALUMIS INC.

STOCK OPTION GRANT NOTICE
(2024 PERFORMANCE OPTION PLAN)

Alumis Inc. (the "***Company***"), pursuant to its 2024 Performance Option Plan (as amended and/or restated as of the Date of Grant set forth below, the "***Plan***"), has granted to Optionholder an option to purchase the number of shares of Common Stock set forth below (the "***Option***"). The Option is subject to all of the terms and conditions as set forth in this Stock Option Grant Notice (the "***Grant Notice***") and in the Plan, the Option Agreement, and the Notice of Exercise, all of which are attached to this Grant Notice and incorporated into this Grant Notice in their entirety. Capitalized terms not explicitly defined in this Grant Notice but defined in the Plan or the Option Agreement shall have the meanings set forth in the Plan or the Option Agreement, as applicable. If the Company uses an electronic capitalization table system (such as Carta, Pulley or Shareworks) and the fields below are blank or the information is otherwise provided in a different format electronically, the blank fields and other information (such as exercise schedule and type of grant) shall be deemed to come from the electronic capitalization system which shall be considered part of this Grant Notice.

Optionholder:	
Date of Grant:	
Vesting Commencement Date:	
Number of Shares Subject to Option:	
Exercise Price (Per Share):	
Total Exercise Price:	
Expiration Date:[1]	
Exercise Schedule:	Upon vesting and Early Exercise Permitted (as provided in the Performance Condition section below).
Type of Grant:	Nonstatutory Stock Option

Vesting Schedule: The Option will vest subject to the satisfaction of the performance-based condition (the "***Performance Condition***") and the service-based condition (the "***Service Condition***"), as set forth below. Shares of Common Stock subject to the Option will vest on the first date upon which both the Service Condition and the Performance Condition are satisfied with respect to such shares.

Performance Condition: The Performance Condition shall be satisfied as to: (i) 1/3 of the shares subject to the Option if, on a date prior to the date that is four years following the Vesting Commencement Date, the Share Price (as defined below) equals or exceeds $10 (the "***$10 Shares***"); (ii) 1/3 of the shares subject to the Option, plus the $10 Shares to the extent such shares have not yet satisfied the Performance Condition, if, on a date prior to the date that is five years following the Vesting Commencement Date, the Share Price equals or exceeds $15 (the "***$15 Shares***"); and (iii) 1/3 of the shares subject to the Option, plus the $10 Shares and $15 Shares, to the extent such shares have not yet satisfied the Performance Condition, if, on a date prior to the date that is six years following the Vesting Commencement Date (the "***Performance End Date***"), the Share Price equals or exceeds $20 (the "***$20 Shares***") (each of (i), (ii) and (iii), a "***Performance Target***"), subject to Optionholder's Continuous Service with the Company through achievement of each Performance Target. Shares may be exercised upon satisfaction of the applicable Performance Target. Shares subject to the Option that have not satisfied the Performance Condition on or prior to the Performance End Date shall expire immediately following the Performance End Date. Each Performance Target shall be subject to adjustment in the case of a Capitalization Adjustment or as otherwise determined by the Board. "***Share Price***" shall mean on or after expiration of the Lock-Up Period (as defined below) following the date that the Common Stock becomes publicly traded (a "***Public Offering***"), the volume-weighted average price per share of Common Stock on the New York Stock Exchange, Nasdaq Stock Market or other exchange, market or system on which the shares of the Company's Common Stock are listed or traded, as applicable, for a period of 30-consecutive trading days. If, prior to a Public Offering, a *bona fide* private financing following the Company's Series C financing (a "***Post-Series C Financing***") occurs and one or more of the Performance Targets are not met, such Performance Target(s) shall be adjusted to account for any dilution resulting from such Post-Series C Financing.

[1] **NTD:** To be 10 years from the Date of Grant.

Service Condition: The Service Condition shall be satisfied as follows: 1/36 of each of the $10 Shares, the $15 Shares and the $20 Shares subject to the Option will satisfy the Service Condition each month for 36-months following the Vesting Commencement Date, in each case, subject to Optionholder's Continuous Service with the Company through each applicable date.

Severance and Change in Control: Notwithstanding anything to the contrary in the Option Agreement, if Optionholder's Continuous Service is (i) voluntarily terminated, shares subject to the Option that have satisfied the Service Condition shall remain outstanding for 12 months following such termination and be eligible to vest upon satisfaction of the Performance Condition (or portion thereof) occurring within the 12-month period following such termination; or (ii) involuntarily terminated by the Company (or its Affiliate) without Cause or by Constructive Termination, shares subject to the Option that have satisfied the Service Condition shall remain outstanding for 24 months following such termination and be eligible to vest upon satisfaction of the Performance Condition (or portion thereof) that occurs within the 24-month period following such termination.

Upon a Change in Control, with respect to any portion of the Performance Condition that has not yet been satisfied, a number of shares subject to the Option shall satisfy the Performance Condition with respect to the corresponding Performance Target as of immediately prior to such Change in Control if the CIC Share Price (as defined below) equals or exceeds the applicable Performance Target. The "***CIC Share Price***" shall mean the value, as determined by the Board in its sole discretion, of the property (including cash) expected to be received by the holder of a share of Company preferred stock as a result of a Change in Control.

[**ONLY INCLUDE THE BELOW FOR EXECUTIVES WITH ACCELERATION BENEFITS**]

[If Optionholder's Continuous Service with the Company is terminated by the Company (or its Affiliate) without Cause or by Constructive Termination outside of a Change in Control Period (as defined below), the Service Condition shall be deemed satisfied as to an additional 1/3 of each of the $10 Shares, the $15 Shares and the $20 Shares subject to the Option (to the extent such number of shares have not yet satisfied the Service Condition).

Upon a Change in Control, and subject to Optionholder's Continuous Service with the Company through such date, the Service Condition shall be deemed satisfied with respect to 100% of the Option as of immediately prior to such Change in Control.

If Optionholder's Continuous Service with the Company is terminated by the Company (or its Affiliate) without Cause or by Constructive Termination, and within 12 months following such termination, a Change in Control occurs (the "***Change in Control Period***"), the Service Condition shall be deemed satisfied, as of immediately prior to such Change in Control, as to 100% of the shares subject to the Option. Notwithstanding anything to the contrary in the Option Agreement, unvested shares subject to the Option shall remain outstanding following the termination of Optionholder's Continuous Service for such period of time necessary to give effect to the foregoing.]

Optionholder Acknowledgements: By Optionholder's signature below or by electronic acceptance or authentication in a form authorized by the Company, Optionholder understands and agrees that the Option is governed by this Stock Option Grant Notice, and the provisions of the Plan and the Option Agreement and the Notice of Exercise, all of which are made a part of this document.

By accepting this Option, Optionholder consents to receive this Grant Notice, the Option Agreement, the Plan, and any other Plan-related documents by electronic delivery and to participate in the Plan through an online or electronic system established and maintained by the Company or another third party designated by the Company. Optionholder represents that Optionholder has read and is familiar with the provisions of the Plan and the Option Agreement. Optionholder acknowledges and agrees that this Grant Notice and the Option Agreement may not be modified, amended or revised except in writing signed by Optionholder and a duly authorized officer of the Company.

Optionholder further acknowledges that in the event of any conflict between the provisions in this Grant Notice, the Option Agreement, the Notice of Exercise and the terms of the Plan, the terms of the Plan shall control. Optionholder further acknowledges that the Plan, the Option Agreement, the Notice of Exercise, and this Grant Notice set forth the entire understanding between Optionholder and the Company regarding the acquisition of Common Stock and supersede all prior oral and written agreements, promises and/or representations on that subject with the exception of other equity awards previously granted to Optionholder and any written employment agreement, offer letter, severance agreement, written severance plan or policy, or other written agreement between the Company and Optionholder in each case that specifies the terms that should govern this Option.

Optionholder further acknowledges that this Grant Notice and the attachments hereto have been prepared on behalf of the Company by Cooley LLP, counsel to the Company and that Cooley LLP does not represent, and is not acting on behalf of, Optionholder in any capacity. Optionholder has been provided with an opportunity to consult with Optionholder's own counsel with respect to this Grant Notice and the attachments hereto.

This Grant Notice may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and any counterpart so delivered will be deemed to have been duly and validly delivered and be valid and effective for all purposes.

Alumis Inc.	**Optionholder:**
By: _____ (Signature)	By: _____ (Signature)
Title: _____	Email: _____
Date: _____	Date: _____

Attachments: Option Agreement, 2024 Performance Option Plan and Notice of Exercise

ATTACHMENT I

OPTION AGREEMENT

ALUMIS INC.

2024 Performance Option Plan

OPTION AGREEMENT
(INCENTIVE STOCK OPTION OR NONSTATUTORY STOCK OPTION)

Pursuant to your Stock Option Grant Notice ("***Grant Notice***") and this Option Agreement, **Alumis Inc.** (the "***Company***") has granted you an option under its 2024 Performance Option Plan (the "***Plan***") to purchase the number of shares of the Company's Common Stock indicated in your Grant Notice at the exercise price indicated in your Grant Notice. The option is granted to you effective as of the date of grant set forth in the Grant Notice (the "***Date of Grant***"). If there is any conflict between the terms in this Option Agreement and the Plan, the terms of the Plan will control. Capitalized terms not explicitly defined in this Option Agreement or in the Grant Notice but defined in the Plan will have the same definitions as in the Plan.

The details of your option, in addition to those set forth in the Grant Notice and the Plan, are as follows:

1. **Vesting**. Your option will vest as provided in your Grant Notice. Vesting will cease upon the termination of your Continuous Service.

2. **Number of Shares and Exercise Price**. The number of shares of Common Stock subject to your option and your exercise price per share in your Grant Notice will be adjusted for Capitalization Adjustments.

3. **Exercise Restriction for Non-Exempt Employees**. If you are an Employee eligible for overtime compensation under the Fair Labor Standards Act of 1938, as amended (that is, a "***Non-Exempt Employee***"), and except as otherwise provided in the Plan, you may not exercise your option until you have completed at least six months of Continuous Service measured from the Date of Grant, even if you have already been an employee for more than six months. Consistent with the provisions of the Worker Economic Opportunity Act, you may exercise your option as to any vested portion prior to such six month anniversary in the case of (i) your death or disability, (ii) a Corporate Transaction in which your option is not assumed, continued or substituted, (iii) a Change in Control or (iv) your termination of Continuous Service on your "retirement" (as defined in the Company's benefit plans).

4. **Exercise prior to Vesting ("Early Exercise")**. If permitted in your Grant Notice (*i.e.*, the "Exercise Schedule" indicates "Early Exercise Permitted") and subject to the provisions of your option, you may elect at any time that is both (i) during the period of your Continuous Service and (ii) during the term of your option, to exercise all or part of your option provided the applicable Performance Target has been satisfied; *provided, however,* that:

(a) a partial exercise of your option will be deemed to cover first vested shares of Common Stock and then the earliest vesting installment of unvested shares of Common Stock;

(b) any shares of Common Stock so purchased from installments that have not vested as of the date of exercise will be subject to the purchase option in favor of the Company as described in the Company's form of Early Exercise Stock Purchase Agreement;

(c) you will enter into the Company's form of Early Exercise Stock Purchase Agreement with a vesting schedule that will result in the same vesting as if no early exercise had occurred; and

(d) if your option is an Incentive Stock Option, then, to the extent that the aggregate Fair Market Value (determined at the Date of Grant) of the shares of Common Stock with respect to which your option plus all other Incentive Stock Options you hold are exercisable for the first time by you during any calendar year (under all plans of the Company and its Affiliates) exceeds $100,000, your option(s) or portions thereof that exceed such limit (according to the order in which they were granted) will be treated as Nonstatutory Stock Options.

5. Method of Payment. You must pay the full amount of the exercise price for the shares you wish to exercise. The permitted methods of payment are as follows:

(a) by cash, check, bank draft, electronic funds transfer or money order payable to the Company;

(b) subject to Company and/or Board consent at the time of exercise and provided that at the time of exercise the Common Stock is publicly traded, pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of Common Stock, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds. This manner of payment is also known as a "broker-assisted exercise", "same day sale", or "sell to cover";

(c) subject to Company and/or Board consent at the time of exercise and provided that at the time of exercise the Common Stock is publicly traded, by delivery to the Company (either by actual delivery or attestation) of already-owned shares of Common Stock that are owned free and clear of any liens, claims, encumbrances or security interests, and that are valued at Fair Market Value on the date of exercise. "Delivery" for these purposes, in the sole discretion of the Company at the time you exercise your option, will include delivery to the Company of your attestation of ownership of such shares of Common Stock in a form approved by the Company. You may not exercise your option by delivery to the Company of Common Stock if doing so would violate the provisions of any law, regulation or agreement restricting the redemption of the Company's stock;

(d) subject to Company and/or Board consent at the time of exercise, and provided that the Option is a Nonstatutory Stock Option, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Common Stock issued upon exercise of the Option by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price plus, to the extent permitted by the Company and/or Board at the time of exercise, the aggregate withholding obligations in respect of the Option exercise; provided, further that you must pay any remaining balance of the aggregate exercise price not satisfied by the "net exercise" in cash or other permitted form of payment. Shares of Common Stock will no longer be subject to the Option and will not be exercisable thereafter to the extent that (A) shares issuable upon exercise are used to pay the exercise price pursuant to the "net exercise," (B) shares are delivered to you as a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations;

(e) subject to the consent of the Company and/or Board at the time of exercise, according to a deferred payment or similar arrangement with you; *provided, however*, that interest will compound at least annually and will be charged at the minimum rate of interest necessary to avoid (A) the imputation of interest income to the Company and compensation income to the Optionholder under any applicable provisions of the Code, and (B) the classification of the Option as a liability for financial accounting purposes; or

(f) in any other form of legal consideration that may be acceptable to the Board.

6. Whole Shares. You may exercise your option only for whole shares of Common Stock.

7. Securities Law Compliance. In no event may you exercise your option unless the sale of shares of Common Stock upon exercise is then registered under the Securities Act or, if not registered, the Company has determined that your exercise and the issuance of the shares would be exempt from the registration requirements of the Securities Act. The exercise of your option also must comply with all other applicable laws and regulations governing your option, and you may not exercise your option if the Company determines that such exercise would not be in material compliance with such laws and regulations (including any restrictions on exercise required for compliance with Treas. Reg. 1.401(k)-1(d)(3), if applicable).

8. Term and Expiration. You may not exercise your option before the Date of Grant or after the Expiration Date set forth in your Grant Notice. Except as set forth in your Grant Notice, the term of your option expires, subject to the provisions of Section 5(h) of the Plan, upon the earliest of the following:

(a) immediately upon the termination of your Continuous Service for Cause;

(b) the day before the Expiration Date.

On the date that is 3 months after termination of your Continuous Service (other than for Cause) or, if sooner, on the Expiration Date set forth in your Grant Notice, any portion of your option that is not vested as of such date shall immediately expire. To the extent your option is not fully vested on the date your Continuous Service terminates, the Board may, prior to expiration of your option pursuant to the preceding sentence, take action to cause your option to become vested (in whole or in part). In no event will your option become vested after termination of your Continuous Service unless the Board takes affirmative action pursuant to the preceding sentence or unless expressly provided in a written agreement between the Company and you. In this regard, any provision of this Option Agreement, your Grant Notice or another agreement that provides for vesting upon an event (including, without limitation, a Change in Control) will be deemed to require your Continuous Service through the occurrence of such event unless such agreement clearly provides otherwise.

If your option is an Incentive Stock Option, note that to obtain the federal income tax advantages associated with an Incentive Stock Option, the Code requires that at all times beginning on the Date of Grant and ending on the day three months before the date of your option's exercise, you must be an employee of the Company or an Affiliate, except in the event of your death or Disability. The Company has provided for extended exercisability of your option under certain circumstances for your benefit but cannot guarantee that your option will necessarily be treated as an Incentive Stock Option if you continue to provide services to the Company or an Affiliate as a Consultant or Director after your employment terminates or if you otherwise exercise your option more than three months after the date your employment with the Company or an Affiliate terminates.

9. Exercise.

(a) You may exercise the vested portion of your option (and the unvested portion of your option if your Grant Notice so permits) during its term by delivering a Notice of Exercise (in a form designated by the Company) together with the exercise price to the Secretary of the Company, or to such other person as the Company may designate, during regular business hours. If required by the Company, your exercise may be made contingent on your execution of any additional documents specified by the Company as more fully set forth in Section 15 below.

(b) By exercising your option you agree that, as a condition to any exercise of your option, the Company may require you to enter into an arrangement providing for the payment by you to the Company of any tax withholding obligation of the Company arising by reason of (i) the exercise of your option, (ii) the lapse of any substantial risk of forfeiture to which the shares of Common Stock are subject at the time of exercise, or (iii) the disposition of shares of Common Stock acquired upon such exercise.

(c) If your option is an Incentive Stock Option, by exercising your option you agree that you will notify the Company in writing within 15 days after the date of any disposition of any of the shares of the Common Stock issued upon exercise of your option that occurs within two years after the Date of Grant or within one year after such shares of Common Stock are transferred upon exercise of your option.

(d) By exercising your option you agree that you will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any shares of Common Stock or other securities of the Company held by you, for a period of 180 days following the effective date of a registration statement of the Company filed under the Securities Act or such longer period as the underwriters or the Company will request to facilitate compliance with applicable FINRA rules (the "***Lock-Up Period***"); *provided, however*, that nothing contained in this section will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your shares of Common Stock until the end of such period. You also agree that any transferee of any shares of Common Stock (or other securities) of the Company held by you will be bound by this Section 9(d). The underwriters of the Company's stock are intended third party beneficiaries of this Section 9(d) and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto. You further agree that the obligations contained in this Section 9(d) shall also, if so determined by the Company's Board of Directors, apply in (1) the Company's initial listing of its Common Stock on a national securities exchange by means of a registration statement on Form S-1 under the Securities Act (or any successor registration form under the Securities Act subsequently adopted by the Securities and Exchange Commission) filed by the Company with the Securities and Exchange Commission that registers shares of existing capital stock of the Company for resale (a "***Direct Listing***"), and (2) the Company's completion of a merger or consolidation with a special purpose acquisition company or its subsidiary in which the Common Stock (or similar securities) of the surviving or parent entity are publicly traded in a public offering pursuant to an effective registration statement under the Securities Act, *provided*, in each case, that all holders of at least 5% of the Company's outstanding Common Stock (after giving effect to the conversion into Common Stock of any outstanding Preferred Stock of the Company) are subject to substantially similar obligations with respect to such Direct Listing, merger or consolidation, as applicable.

10. Transferability. Except as otherwise provided in this Section 10, your option is not transferable, except by will or by the laws of descent and distribution, and is exercisable during your life only by you.

(a) Certain Trusts. Upon receiving written permission from the Board or its duly authorized designee, you may transfer your option to a trust if you are considered to be the sole beneficial owner (determined under Section 671 of the Code and applicable state law) while the option is held in the trust. You and the trustee must enter into transfer and other agreements required by the Company.

(b) Domestic Relations Orders. Upon receiving written permission from the Board or its duly authorized designee, and provided that you and the designated transferee enter into transfer and other agreements required by the Company, you may transfer your option pursuant to the terms of a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulation 1.421-1(b)(2) that contains the information required by the Company to effectuate the transfer. You are encouraged to discuss the proposed terms of any division of this option with the Company prior to finalizing the domestic relations order or marital settlement agreement to help ensure the required information is contained within the domestic relations order or marital settlement agreement. If this option is an Incentive Stock Option, this option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(c) Beneficiary Designation. Upon receiving written permission from the Board or its duly authorized designee, you may, by delivering written notice to the Company, in a form approved by the Company and any broker designated by the Company to handle option exercises, designate a third party who, on your death, will thereafter be entitled to exercise this option and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, your executor or administrator of your estate will be entitled to exercise this option and receive, on behalf of your estate, the Common Stock or other consideration resulting from such exercise.

11. Right of First Refusal. Shares of Common Stock that you acquire upon exercise of your option are subject to any right of first refusal that may be described in the Company's bylaws in effect at such time the Company elects to exercise its right; *provided, however,* that if there is no right of first refusal described in the Company's bylaws at such time, the right of first refusal described below will apply. The Company's right of first refusal will expire on the first date upon which any security of the Company is listed (or approved for listing) upon notice of issuance on a national securities exchange or quotation system (the "***Listing Date***").

(a) Prior to the Listing Date, you may not validly Transfer (as defined below) any shares of Common Stock acquired upon exercise of your option, or any interest in such shares, unless such Transfer is made in compliance with the following provisions:

(i) Before there can be a valid Transfer of any shares of Common Stock or any interest therein, the record holder of the shares of Common Stock to be transferred (the "***Offered Shares***") will give written notice (by registered or certified mail) to the Company. Such notice will specify the identity of the proposed transferee, the cash price offered for the Offered Shares by the proposed transferee (or, if the proposed Transfer is one in which the holder will not receive cash, such as an involuntary transfer, gift, donation or pledge, the holder will state that no purchase price is being proposed), and the other terms and conditions of the proposed Transfer. The date such notice is mailed will be hereinafter referred to as the "***Notice Date***" and the record holder of the Offered Shares will be hereinafter referred to as the "***Offeror***." If, from time to time, there is any stock dividend, stock split or other change in the character or amount of any of the outstanding Common Stock which is subject to the provisions of your option, then in such event any and all new, substituted or additional securities to which you are entitled by reason of your ownership of the shares of Common Stock acquired upon exercise of your option will be immediately subject to the Company's Right of First Refusal (as defined below) with the same force and effect as the shares subject to the Right of First Refusal immediately before such event.

(ii) For a period of 30 calendar days after the Notice Date, or such longer period as may be required to avoid the classification of your option as a liability for financial accounting purposes, the Company will have the option to purchase all (but not less than all) of the Offered Shares at the purchase price and on the terms set forth in Section 11(a)(iii) (the Company's "***Right of First Refusal***"). In the event that the proposed Transfer is one involving no payment of a purchase price, the purchase price will be deemed to be the Fair Market Value of the Offered Shares as determined in good faith by the Board in its discretion. The Company may exercise its Right of First Refusal by mailing (by registered or certified mail) written notice of exercise of its Right of First Refusal to the Offeror prior to the end of said 30 days (including any extension required to avoid classification of the option as a liability for financial accounting purposes).

(iii) The price at which the Company may purchase the Offered Shares pursuant to the exercise of its Right of First Refusal will be the cash price offered for the Offered Shares by the proposed transferee (as set forth in the notice required under Section 11(a)(i)), or the Fair Market Value as determined by the Board in the event no purchase price is involved. To the extent consideration other than cash is offered by the proposed transferee, the Company will not be required to pay any additional amounts to the Offeror other than the cash price offered (or the Fair Market Value, if applicable). The Company's notice of exercise of its Right of First Refusal will be accompanied by full payment for the Offered Shares and, upon such payment by the Company, the Company will acquire full right, title and interest to all of the Offered Shares.

(iv) If, and only if, the option given pursuant to Section 11(a)(ii) is not exercised, the Transfer proposed in the notice given pursuant to Section 11(a)(i) may take place; *provided, however*, that such Transfer must, in all respects, be exactly as proposed in said notice except that such Transfer may not take place either before the 10th calendar day after the expiration of the 30 day option exercise period or after the ninetieth 90th calendar day after the expiration of the 30 day option exercise period, and if such Transfer has not taken place prior to said 90th day, such Transfer may not take place without once again complying with this Section 11(a). The option exercise periods in this Section 11(a)(iv) will be adjusted to include any extension required to avoid the classification of your option as a liability for financial accounting purposes.

(b) As used in this Section 11, the term "***Transfer***" means any sale, encumbrance, pledge, gift or other form of disposition or transfer of shares of Common Stock or any legal or equitable interest therein; *provided, however*, that the term Transfer does not include a transfer of such shares or interests by will or intestacy to your Immediate Family (as defined below). In such case, the transferee or other recipient will receive and hold the shares of Common Stock so transferred subject to the provisions of this Section, and there will be no further transfer of such shares except in accordance with the terms of this Section 11. As used herein, the term "***Immediate Family***" will mean your spouse, the lineal descendant or antecedent, father, mother, brother or sister, child, adopted child, grandchild or adopted grandchild of you or your spouse, or the spouse of any child, adopted child, grandchild or adopted grandchild of you or your spouse.

(c) None of the shares of Common Stock purchased on exercise of your option will be transferred on the Company's books nor will the Company recognize any such Transfer of any such shares or any interest therein unless and until all applicable provisions of this Section 11 have been complied with in all respects. The certificates of stock evidencing shares of Common Stock purchased on exercise of your option will bear an appropriate legend referring to the transfer restrictions imposed by this Section 11.

(d) To ensure that the shares subject to the Company's Right of First Refusal will be available for repurchase by the Company, the Company may require you to deposit the certificates evidencing the shares that you purchase upon exercise of your option with an escrow agent designated by the Company under the terms and conditions of an escrow agreement approved by the Company. If the Company does not require such deposit as a condition of exercise of your option, the Company reserves the right at any time to require you to so deposit the certificates in escrow. As soon as practicable after the expiration of the Company's Right of First Refusal, the agent will deliver to you the shares and any other property no longer subject to such restriction. In the event the shares and any other property held in escrow are subject to the Company's exercise of its Right of First Refusal, the notices required to be given to you will be given to the escrow agent, and any payment required to be given to you will be given to the escrow agent. Within 30 days after payment by the Company for the Offered Shares, the escrow agent will deliver the Offered Shares that the Company has repurchased to the Company and will deliver the payment received from the Company to you.

12. Option not a Service Contract. Your option is not an employment or service contract, and nothing in your option will be deemed to create in any way whatsoever any obligation on your part to continue in the employ of the Company or an Affiliate, or of the Company or an Affiliate to continue your employment. In addition, nothing in your option will obligate the Company or an Affiliate, their respective stockholders, boards of directors, officers or employees to continue any relationship that you might have as a Director or Consultant for the Company or an Affiliate.

13. Withholding Obligations.

(a) At the time you exercise your option, in whole or in part, and at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for (including by means of a "same day sale" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board to the extent permitted by the Company), any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with the exercise of your option.

(b) If this option is a Nonstatutory Stock Option, then upon your request and subject to approval by the Company, and compliance with any applicable legal conditions or restrictions, the Company may withhold from fully vested shares of Common Stock otherwise issuable to you upon the exercise of your option a number of whole shares of Common Stock having a Fair Market Value, determined by the Company as of the date of exercise, not in excess of the maximum amount of tax required to be withheld by law (or such lower amount as may be necessary to avoid classification of your option as a liability for financial accounting purposes). If the date of determination of any tax withholding obligation is deferred to a date later than the date of exercise of your option, share withholding pursuant to the preceding sentence will not be permitted unless you make a proper and timely election under Section 83(b) of the Code, covering the aggregate number of shares of Common Stock acquired upon such exercise with respect to which such determination is otherwise deferred, to accelerate the determination of such tax withholding obligation to the date of exercise of your option. Notwithstanding the filing of such election, shares of Common Stock will be withheld solely from fully vested shares of Common Stock determined as of the date of exercise of your option that are otherwise issuable to you upon such exercise. Any adverse consequences to you arising in connection with such share withholding procedure will be your sole responsibility.

(c) You may not exercise your option unless the tax withholding obligations of the Company and/or any Affiliate are satisfied. Accordingly, you may not be able to exercise your option when desired even though your option is vested, and the Company will have no obligation to issue a certificate for such shares of Common Stock or release such shares of Common Stock from any escrow provided for herein, if applicable, unless such obligations are satisfied.

14. Tax Consequences. You hereby agree that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes your tax liabilities. You will not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from your option or your other compensation. In particular, you acknowledge that this option is exempt from Section 409A of the Code only if the exercise price per share specified in the Grant Notice is at least equal to the "fair market value" per share of the Common Stock on the Date of Grant and there is no other impermissible deferral of compensation associated with the option. Because the Common Stock is not traded on an established securities market, the Fair Market Value is determined by the Board, perhaps in consultation with an independent valuation firm retained by the Company. You acknowledge that there is no guarantee that the Internal Revenue Service will agree with the valuation as determined by the Board, and you will not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates in the event that the Internal Revenue Service asserts that the valuation determined by the Board is less than the "fair market value" as subsequently determined by the Internal Revenue Service.

15. Imposition of Other Requirements. You agree to execute further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of this option. You further agree to execute, to the extent requested by the Company, at any time and from time to time, any agreements entered into with holders of capital stock of the Company, including without limitation a right of first refusal and co-sale agreement, stockholders agreement and/or a voting agreement.

16. Notices. Any notices provided for in your option or the Plan will be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this option by electronic means or to request your consent to participate in the Plan by electronic means. By accepting this option, you consent to receive such documents by electronic delivery and to participate in the Plan through an online or electronic system established and maintained by the Company or another third party designated by the Company.

17. Governing Plan Document. Your option is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your option, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. If there is any conflict between the provisions of your option and those of the Plan, the provisions of the Plan will control.

ATTACHMENT II

2024 Performance Option Plan

ATTACHMENT III

NOTICE OF EXERCISE

ALUMIS INC.
NOTICE OF EXERCISE

This constitutes notice to **Alumis Inc.** (the "***Company***") under my stock option that I elect to purchase the below number of shares of Common Stock of the Company (the "***Shares***") for the price set forth below. Use of certain payment methods is subject to Company and/or Board consent and certain additional requirements set forth in the Option Agreement and the Plan. If the Company uses an electronic capitalization table system (such as Carta, Pulley or Shareworks) and the fields below are blank, the blank fields shall be deemed to come from the electronic capitalization system and is considered part of this Notice of Exercise.

Option Information

Type of option (check one):	Incentive ☐ Nonstatutory ☐
Stock option dated:	
Number of Shares as to which option is exercised:	
Certificates to be issued in name of:[2]	

Exercise Information

Date of Exercise:	
Total exercise price:	
Cash:[3]	
Regulation T Program (cashless exercise):[4]	
Value of _____ Shares delivered with this notice:[5]	
Value of _____ Shares pursuant to net exercise:[6]	

By this exercise, I agree (i) to provide such additional documents as you may require pursuant to the terms of the 2024 Performance Option Plan, (ii) to provide for the payment by me to you (in the manner designated by you) of your withholding obligation, if any, relating to the exercise of this option, (iii) if this exercise relates to an incentive stock option, to notify you in writing within 15 days after the date of any disposition of any of the Shares issued upon exercise of this option that occurs within two years after the date of grant of this option or within one year after such Shares are issued upon exercise of this option, and (iv) to execute, if and when requested by the Company, at any time or from time to time, any agreements entered into with holders of capital stock of the Company, including without limitation a right of first refusal and co-sale agreement, stockholders agreement and/or a voting agreement. I further agree that this Notice of Exercise may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and will be deemed to have been duly and validly delivered and be valid and effective for all purposes.

I hereby make the following certifications and representations with respect to the number of Shares listed above, which are being acquired by me for my own account upon exercise of the option as set forth above:

I acknowledge that the Shares have not been registered under the Securities Act of 1933, as amended (the "***Securities Act***"), and are deemed to constitute "restricted securities" under Rule 701 and Rule 144 promulgated under the Securities Act. I warrant and represent to the Company that I have no present intention of distributing or selling said Shares, except as permitted under the Securities Act and any applicable state securities laws.

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[2] If left blank, will be issued in the name of the option holder.

[3] Cash may be in the form of cash, check, bank draft, electronic funds transfer or money order payment.

[4] Subject to Company and/or Board consent and must meet the public trading and other requirements set forth in the Option Agreement.

[5] Subject to Company and/or Board consent and must meet the public trading and other requirements set forth in the Option Agreement. Shares must be valued in accordance with the terms of the option being exercised, and must be owned free and clear of any liens, claims, encumbrances or security interests. Certificates must be endorsed or accompanied by an executed assignment separate from certificate.

[6] Subject to Company and/or Board consent and must be a Nonstatutory Option.

I further acknowledge and agree that, except for such information as required to be delivered to me by the Company pursuant to the option or the Plan (if any), I will have no right to receive any information from the Company by virtue of the grant of the option or the purchase of shares of Common Stock through exercise of the option, ownership of such shares of Common Stock, or as a result of my being a holder of record of stock of the Company. Without limiting the foregoing, to the fullest extent permitted by law, I hereby waive all inspection rights under Section 220 of the Delaware General Corporation Law and all such similar information and/or inspection rights that may be provided under the law of any jurisdiction, or any federal, state or foreign regulation, that are, or may become, applicable to the Company or the Company's capital stock (the "***Inspection Rights***"). I hereby covenant and agree never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights.

I further acknowledge that I will not be able to resell the Shares for at least 90 days after the stock of the Company becomes publicly traded (*i.e.,* subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934) under Rule 701 and that more restrictive conditions apply to affiliates of the Company under Rule 144.

I further acknowledge that all certificates representing any of the Shares subject to the provisions of the option will have endorsed thereon appropriate legends reflecting the foregoing limitations, as well as any legends reflecting restrictions pursuant to the Company's Certificate of Incorporation, Bylaws and/or applicable securities laws.

I further agree that, if required by the Company (or a representative of the underwriters) in connection with the first underwritten offering of any securities of the Company under the Securities Act, I will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any shares of Common Stock or other securities of the Company for a period of 180 days following the effective date of a registration statement of the Company filed under the Securities Act (or such longer period as the underwriters or the Company will request to facilitate compliance with applicable FINRA rules) (the "***Lock-Up Period***"). I further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such period. I further agree that the obligations contained in this paragraph shall also, if so determined by the Company's Board of Directors, apply in (1) the Company's initial listing of its Common Stock on a national securities exchange by means of a registration statement on Form S-1 under the Securities Act (or any successor registration form under the Securities Act subsequently adopted by the Securities and Exchange Commission) filed by the Company with the Securities and Exchange Commission that registers shares of existing capital stock of the Company for resale (a "***Direct Listing***"), and (2) the Company's completion of a merger or consolidation with a special purpose acquisition company or its subsidiary in which the Common Stock (or similar securities) of the surviving or parent entity are publicly traded in a public offering pursuant to an effective registration statement under the Securities Act, *provided*, in each case, that all holders of at least 5% of the Company's outstanding Common Stock (after giving effect to the conversion into Common Stock of any outstanding Preferred Stock of the Company) are subject to substantially similar obligations with respect to such Direct Listing, merger or consolidation, as applicable.

Very truly yours,

_____
(Signature)

_____
Name (Please Print)

Address of Record: _____

_____

_____

_____

Email: _____

Exhibit 10.12

Certain information has been excluded from this agreement (indicated by [***]) because such information is both not material and the type that the registrant customarily and actually treats as private or confidential.

BRITANNIA POINTE GRAND LIFE SCIENCE CENTER

LEASE

This Lease (the "**Lease**"), dated as of the date set forth in Section 1 of the Summary of Basic Lease Information (the "**Summary**"), below, is made by and between **PG VII 280 EAST GRAND, LLC**, a Delaware limited liability company ("**Landlord**"), and **ALUMIS INC.**, a Delaware corporation ("**Tenant**").

SUMMARY OF BASIC LEASE INFORMATION

TERMS OF LEASE		DESCRIPTION
1.	Date:	_____ August 11_____, 2022
2.	Premises (Article 1).	
	2.1 Building:	The building containing approximately 54,856 rentable square feet of space ("**RSF**") located at 280 E. Grand Avenue, South San Francisco, CA.
	2.2 Premises:	Approximately 54,586 RSF consisting of the entire Building, as further set forth in **Exhibit A** to the Lease.
3.	Lease Term (Article 2).	
	3.1 Length of Term:	Approximately ten (10) years.
	3.2 Lease Commencement Date:	The earlier to occur of (i) the date upon which Tenant first commences to conduct business in the Premises and (ii) the Possession Date (as that term is defined in Section 1.1.1 of this Lease).
	3.3 Lease Expiration Date:	If the Lease Commencement Date shall be the first day of a calendar month, then the day immediately preceding the tenth (10th) anniversary of the Lease Commencement Date; or, if the Lease Commencement Date shall be other than the first day of a calendar month, then the last day of the month in which the tenth (10th) anniversary of the Lease Commencement Date occurs.

4. Base Rent (Article 3):

Lease Year	Annua Base Rent	Monthly Installment of Base Rent	Monthly Base Rent per Rentable Square Foot
1*	$ 4,509,163.20	$ 375,763.60	$ 6.85
2	$ 4,667,016.83	$ 388,918.07	$ 7.0898
3	$ 4,830,334.11	$ 402,527.84	$ 7.3379
4	$ 4,999,378.36	$ 416,614.86	$ 7.5947
5	$ 5,174,347.06	$ 431,195.59	$ 7.8605
6	$ 5,355,503.51	$ 446,291.96	$ 8.1357
7	$ 5,542,913.55	$ 461,909.46	$ 8.4204
8	$ 5,736,906.31	$ 478,075.53	$ 8.7151
9	$ 5,937,679.27	$ 494,806.61	$ 9.0201
10	$ 6,145,495.74	$ 512,124.64	$ 9.3358

***Note:** Provided Tenant is not then in default of the Lease, after expiration of any applicable notice and cure period, Tenant shall have no obligation to pay Base Rent for the first two (2) full months of the Lease Term (the "**Base Rent Abatement Period**").

5. Tenant Improvement Allowance **(Exhibit B)**:

Tenant Improvement Allowance: An amount equal to $285.00 per RSF of the Premises (*i.e.*, $15,633,960.00 based upon 54,856 RSF in the Premises).

Additional Tenant Improvement Allowance: Up to $45.00 per RSF in the Premises (*i.e.*, $2,468,520.00 based upon 54,856 RSF in the Premises)

6. Tenant's Share (Article 4):

One hundred percent (100%).

7. Permitted Use (Article 5):

The Premises shall be used only for general office, research and development, engineering, laboratory, storage, vivarium and/or warehouse uses, including, but not limited to, administrative offices and other lawful uses reasonably related to or incidental to such specified uses, all (i) consistent with first class life sciences projects in South San Francisco, California ("**First Class Life Sciences Projects**"), and (ii) in compliance with, and subject to, Applicable Laws (as that term is defined in Article 24) and the terms of this Lease.

8.	Letter of Credit (Article 21):	$1,024,249.29
9.	Parking (Article 28):	2.25 unreserved parking spaces for every 1,000 rentable square feet of the Premises, subject to the terms of Article 28 of the Lease.
10.	Address of Tenant (Section 29.18):	Alumis Inc. 611 Gateway Boulevard, Suite 611 South San Francisco, CA 94080 Attention: General Counsel (Prior to Lease Commencement Date) and Alumis Inc. 280 E. Grand Avenue South San Francisco, CA 94080 Attention: General Counsel (After Lease Commencement Date) With a copy via email to: Connor McNellis, Esq McNellis Law Group, P.C. [***]
11.	Address of Landlord (Section 29.18):	See Section 29.18 of the Lease.
12.	Broker(s) (Section 29.24):	CBRE, Inc. (representing both Landlord and Tenant)

1. PREMISES, BUILDING, PROJECT, AND COMMON AREAS.

1.1 **Premises, Building, Project and Common Areas**.

1.1.1 **The Premises; Tender of Possession**. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises set forth in Section 2.2 of the Summary (the "**Premises**"). The outline of the Premises is set forth in **Exhibit A** attached hereto. The outline of the "Building" and the "Project," as those terms are defined in Section 1.1.2 below, are further depicted on the site plan attached hereto as **Exhibit A-1** (the "**Site Plan**"). The parties hereto agree that the lease of the Premises is upon and subject to the terms, covenants and conditions herein set forth, and Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of such terms, covenants and conditions by it to be kept and performed and that this Lease is made upon the condition of such performance. The parties hereto hereby acknowledge that the purpose of **Exhibit A** is to show the approximate location of the Premises only, and such Exhibit is not meant to constitute an agreement, representation or warranty as to the construction of the Premises, the precise area thereof or the specific location of the "Common Areas," as that term is defined in Section 1.1.3, below, or the elements thereof or of the accessways to the Premises or the "Project," as that term is defined in Section 1.1.2, below. Except in each case as specifically set forth in this Lease and in the Tenant Work Letter attached hereto as **Exhibit B** (the "**Tenant Work Letter**"), Landlord shall tender possession of the Premises to Tenant in its 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. Landlord shall be deemed to have tendered possession of the Premises to Tenant upon the date of delivery of the Substantial Completion Certificate to Tenant in connection with the Tenant Improvements, as those terms are defined in the Tenant Work Letter (the "**Possession Date**"), and no action by Tenant shall be required therefor. Landlord anticipates that the Possession Date will occur on or before August 21, 2023 (the "**Anticipated Possession Date**"). If Tenant elects to pursue value engineering during the "Value Engineering Period", as defined in the Tenant Work Letter, then the Anticipated Possession Date shall be September 31, 2023. If for any reason, Landlord is delayed in tendering possession of the Premises to Tenant by any particular date, Landlord shall not be subject to any liability for such failure, and the validity of this Lease shall not be impaired. Notwithstanding the foregoing, (i) if Landlord has not caused the Possession Date to occur within ninety (90) days after the Anticipated Possession Date, then, as Tenant's sole remedy for such delay (other than Tenant's termination right as set forth in item (2) below), Tenant shall receive a one day credit against Base Rent next coming due under the Lease for each day after the Anticipated Possession Date that the Possession Date has not occurred, and (ii) if Landlord has not caused the Possession Date to occur within one hundred eighty (180) days after the Anticipated Possession Date, then Tenant shall have the right to terminate this Lease by written notice thereof to Landlord, whereupon any monies previously paid by Tenant to Landlord shall be reimbursed to Tenant (and if Tenant does not elect to terminate the Lease, Tenant shall be entitled to continue to receive its rent credit remedy set forth in item (i) above). The Anticipated Possession Date shall be extended to the extent of any delays in delivery of possession caused by (i) Tenant Delay, as provided in Section 1(j) of the Tenant Work Letter, or (ii) events of Force Majeure. Neither Landlord nor any agent of Landlord has made any representation or warranty regarding the condition of the Premises, the Building or the Project 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 and the Tenant Work Letter. Any process utilities shall be provided without warranty, in their currently existing, "as-is" condition. Except when and where Tenant's right of access is specifically excluded as the result of (i) an emergency, (ii) the application of applicable laws or the direction of governmental authority, (iii) Landlord's rules, regulations and security requirements, or (iv) a provision of this Lease, Tenant shall have the right of ingress and egress to the Premises and the Building twenty-four (24) hours per day, seven (7) days per week on each day during the Lease Term.

1.1.2 **The Building and The Project**. The Premises constitutes the entire building set forth in Section 2.1 of the Summary (the "**Building**"). The Building is part of an office/laboratory project currently known as "Britannia Pointe Grand Business Park." The term "Project," as used in this Lease, shall mean (i) the Building and the Common Areas, (ii) the land (which is improved with landscaping, parking facilities and other improvements) upon which the Building and the Common Areas are located, (iii) the office/laboratory buildings located at Britannia Pointe Grand Life Science Center, and the land upon which such adjacent office/laboratory building is located, (iv) if and when constructed, an amenity building (the "**Amenity Building**") serving the tenants of the Project, and (v) at Landlord's discretion, any additional real property, areas, land, buildings or other improvements added thereto as part of the Project, including areas that may currently be outside of the Project. Tenant acknowledges that Landlord or an affiliate of Landlord (or any successors thereto) is or may be intending to develop and construct additional buildings, parking structures, and other improvements as a part of the Project, which may be operated as part of the Project whether owned by Landlord, an affiliate of Landlord, or a third party.

1.1.3 **Condition on Delivery**. Landlord shall deliver the Premises to Tenant in good, vacant, broom clean condition, in compliance with Applicable Laws to the extent required to allow the legal occupancy and use of the entire Premises for the Permitted Use with the Tenant Improvements in the Premises Substantially Completed in accordance with the terms of the Tenant Work Letter, with the roof water-tight and shall cause the plumbing, electrical systems, fire sprinkler system, lighting, HVAC (hereinafter defined), and all other Building Systems serving the Premises to be in good operating condition and repair on or before the Lease Commencement Date. Notwithstanding anything in this Lease to the contrary, in connection with the foregoing Landlord shall, at Landlord's sole cost and expense (which shall not be deemed an "Operating Expense," as that term is defined in Section 4.2.4), repair or replace any failed, defective or inoperable portion of the Building Systems serving the Premises during the first two (2) Lease Years (the "**Warranty Period**"), provided that the need to repair or replace was not caused by the misuse, misconduct, damage, destruction, omissions, and/or negligence of Tenant, its subtenants and/or assignees, if any, or any company which is acquired, sold or merged with Tenant (collectively, "**Tenant Damage**"), or by any modifications, Alterations or improvements constructed by or on behalf of Tenant (other than the initial construction or installation of the Tenant Improvements). Landlord shall coordinate such work with Tenant and shall utilize commercially reasonable efforts to perform the same in a manner designed to minimize interference with Tenant's use of or access to the Premises. To the extent repairs which Landlord is required to make pursuant to this Section 1.1.1 are necessitated in part by Tenant Damage, then Tenant shall reimburse Landlord for an equitable proportion of the cost of such repair. Landlord will be responsible for causing the exterior of the Building, the existing Building entrances, and all exterior Common Areas (including required striping and handicapped spaces in the parking areas) to be in compliance with ADA and parking requirements, to the extent required to allow the legal occupancy of the entire Premises and conduct of business therein for the Permitted Use and completion of the Tenant Improvements.

1.1.4 **Additional Landlord Work**. Landlord will, on or before the Lease Commencement Date, (i) apply a new topcoat sealant to the roof of the Building, and (ii) plan and install a new HVAC system in the Building (not including the two (2) boilers and one (1) air handling unit), and otherwise update the Building mechanical systems as necessary to support Tenant's use of the Premises.

1.1.5 **Common Areas**. Tenant shall have the non-exclusive right to use in common with other tenants in the Project, and subject to the rules and regulations referred to in Article 5 of this Lease, those portions of the Project which are provided, from time to time, for use in common by Landlord or an affiliate of Landlord or any other owner of the Project (or any portion thereof), Tenant and any other tenants of the Project, including the parking facilities at the Project (such areas, together with such other portions of the Project designated by Landlord, in its discretion, are collectively referred to herein as the "**Common Areas**"). The manner in which the Common Areas are maintained and operated shall be at the sole discretion of Landlord, provided that such is reasonably consistent with First Class Life Sciences Projects, and the use thereof shall be subject to such reasonable and nondiscriminatory rules, regulations and restrictions as Landlord may make from time to time. Landlord reserves the right to close temporarily, make alterations or additions to, or change the location of elements of the Project and the Common Areas, provided that, in connection therewith, Landlord shall perform such closures, alterations, additions or changes in a commercially reasonable manner and, in connection therewith, shall use commercially reasonable efforts to minimize any material interference with Tenant's use of and access to the Premises. Except as otherwise specifically expressed in this Lease, the Amenity Building will not be deemed a part of the Common Areas (but will at all times be deemed a part of the Project), provided that so long as the costs related to the Amenity Building are included in Operating Expenses and Real Estate Taxes, the services and amenities provided in the Amenity Building shall be available for use by Tenant.

1.2 **Rentable Square Feet of Premises**. The rentable square footage of the Premises is hereby deemed to be as set forth in Section 2.2 of the Summary, and shall not be subject to measurement or adjustment during the Lease Term.

1.3 **Future Leasing**. Landlord agrees that in the event Tenant and Landlord or an affiliate of Landlord enter into a new lease of space in excess of 75,000 RSF in the vicinity of the Project, then, at Tenant's election, Landlord and Tenant shall enter into an agreement to terminate this Lease substantially concurrently with the commencement date of possession of such new premises, which termination shall be at no cost to Tenant (provided that, in any event, any obligation of Tenant to pay "Additional Allowance Monthly Rent" as defined in Section 2.1.2 of the Tenant Work Letter, shall not be terminated, and Tenant shall remain obligated for all of its obligations under this Lease with respect to the surrender of the Premises, and with respect to the period prior to any such termination). Notwithstanding the foregoing, neither Landlord nor Tenant shall have any obligation to enter into any such new lease of space, or to agree to any terms for any such new lease, other than as desired in each party's sole and absolute discretion. To the extent Tenant exercises its right to terminate this Lease, pursuant to the terms of this Section 1.3, then this Lease shall terminate with the same force and effect as if the Lease were scheduled to expire in accordance with its terms as of such early termination date, subject to the provisions of this Lease which expressly survive the expiration or earlier termination of this Lease.

2. LEASE TERM; OPTION TERM

2.1 **Lease Term**. The terms and provisions of this Lease shall be effective as of the date of this Lease. The term of this Lease (the "**Lease Term**") shall be as set forth in Section 3.1 of the Summary, shall commence on the date set forth in Section 3.2 of the Summary (the "**Lease Commencement Date**"), and shall terminate on the date set forth in Section 3.3 of the Summary (the "**Lease Expiration Date**") unless this Lease is sooner terminated as hereinafter provided. For purposes of this Lease, the term "**Lease Year**" shall mean each consecutive twelve (12) month period during the Lease Term. At any time during the Lease Term, Landlord may deliver to Tenant a notice in the form as set forth in **Exhibit C**, attached hereto (subject to modification to correct any factual errors), as a confirmation only of the information set forth therein, which Tenant shall execute and return to Landlord within ten (10) business days of receipt thereof; however, the failure of the parties to execute such letter shall not defer the Lease Commencement Date or otherwise invalidate this Lease.

2.1.1 **Option Right**. Landlord hereby grants to the Tenant originally named in this Lease ("**Original Tenant**"), and any assignee of Original Tenant's entire interest in the Lease that has been approved in accordance with the terms of Article 14, below (a "**Approved Assignee**"), and any assignee that is a "Permitted Assignee", as that term is defined in Section 14.8, below, one (1) option to extend the Lease Term for a period of three(3) years (the "**Option Term**"), which option shall be irrevocably exercised only by written notice delivered by Tenant to Landlord not more than twelve (12) months nor less than nine (9) months prior to the expiration of the initial Lease Term, provided that the following conditions (the "**Option Conditions**") are satisfied: (i) as of the date of delivery of such notice, Tenant is not in default under this Lease, after the expiration of any applicable notice and cure period; (ii) Tenant has not previously been in default under this Lease, after the expiration of any applicable notice and cure period, more than twice in the twelve (12) month period prior to the date of Tenant's attempted exercise; and (iii) the Lease then remains in full force and effect. Landlord may, at Landlord's option, exercised in Landlord's sole and absolute discretion, waive any of the Option Conditions in which case the option, if otherwise properly exercised by Tenant, shall remain in full force and effect. Upon the proper exercise of such option to extend, and provided that Tenant satisfies all of the Option Conditions (except those, if any, which are waived by Landlord), the Lease Term, as it applies to the Premises, shall be extended for a period of three (3) years. The rights contained in this Section 2.2 shall be personal to Original Tenant and any Permitted Assignees or Approved Assignees, and may be exercised by Original Tenant or such Permitted Assignees or Approved Assignees (and not any other assignee, sublessee or "Transferee," as that term is defined in Section 14.1 below, of Tenant's interest in this Lease).

2.1.2 **Option Rent**. The annual Base Rent payable by Tenant during any Option Term (the "**Option Rent**") shall be equal to the "Fair Rental Value," as that term is defined below, for the Premises as of the commencement date of the Option Term. The "**Fair Rental Value,**" as used in this Lease, shall be equal to the annual rent per rentable square foot (with consideration of the NNN nature of this Lease, and considering any "base year" or "expense stop" applicable to Comparable Transactions), including all escalations, at which tenants (pursuant to leases consummated within the twelve (12) month period preceding the first day of the Option Term), are leasing non- sublease, non-encumbered, non-equity space which is not significantly greater or smaller in size than the subject space, with a comparable level of improvements (excluding any property that Tenant would be allowed to remove from the Premises at the termination of the Lease), for a comparable lease term, in an arm's length transaction, which comparable space is located in the "Comparable Buildings," as that term is defined in this Section 2.2.2, below (transactions satisfying the foregoing criteria shall be known as the "**Comparable Transactions**"), taking into consideration the following concessions (the "**Concessions**"): (a) rental abatement concessions, if any, being granted such tenants in connection with such comparable space; (b) tenant improvements or allowances provided or to be provided for such comparable space, and taking into account the value, if any, of the existing improvements in the subject space, such value to be based upon the age, condition, design, quality of finishes and layout of the improvements and the extent to which the same can be utilized by a general office/lab user other than Tenant; and (c) other reasonable monetary concessions being granted such tenants in connection with such comparable space; provided, however, that in calculating the Fair Rental Value, no consideration shall be given to the fact that Landlord is or is not required to pay a real estate brokerage commission in connection with Tenant's exercise of its right to extend the Lease Term, or the fact that landlords are or are not paying real estate brokerage commissions in connection with such comparable space. The Concessions shall be reflected in the effective rental rate (which effective rental rate shall take into consideration the total dollar value of such Concessions as amortized on a straight-line basis over the applicable term of the Comparable Transaction (in which case such Concessions evidenced in the effective rental rate shall not be granted to Tenant)) payable by Tenant. The term "**Comparable Buildings**" shall mean the Building and those other life sciences buildings which are comparable to the Building in terms of age (based upon the date of completion of construction or major renovation to the building), quality of construction, level of services and amenities, size and appearance, and are located in South San Francisco, California and the surrounding commercial area.

2.1.3 **Determination of Option Rent**. In the event Tenant timely and appropriately exercises the option to extend the Lease Term, Landlord shall notify Tenant of Landlord's determination of the Option Rent within thirty (30) days thereafter. If Tenant, on or before the date which is thirty (30) days following the date upon which Tenant receives Landlord's determination of the Option Rent, in good faith objects to Landlord's determination of the Option Rent, then Landlord and Tenant shall attempt to agree upon the Option Rent using their good-faith efforts. If Landlord and Tenant fail to reach agreement within thirty (30) days following Tenant's objection to the Option Rent (the "**Outside Agreement Date**"), then Tenant shall have the right to withdraw its exercise of the option by delivering written notice thereof to Landlord within five (5) business days thereafter, in which event Tenant's right to extend the Lease pursuant to this Section 2.2 shall be of no further force or effect. If Tenant does not withdraw its exercise of the extension option, each party shall thereafter make a separate determination of the Option Rent within fifteen (15) business days of the Outside Agreement Date, and such determinations shall be submitted to arbitration in accordance with Sections 2.2.3.1 through 2.2.3.7, below. If Tenant fails to accept or reject Landlord's determination of the Option Rent within the time period set forth herein, then Tenant shall be deemed to have objected to Landlord's determination of Option Rent, and each party shall make their separate determinations of Option Rent and the matter shall be submitted to arbitration in accordance with the terms hereof.

2.1.3.1 Landlord and Tenant shall each appoint one arbitrator who shall by profession be an MAI appraiser and/or real estate broker who shall have been active over the five (5) year period ending on the date of such appointment in the appraisal of other first class life sciences buildings located in the South San Francisco market area. The determination of the arbitrators shall be limited solely to the issue of whether Landlord's or Tenant's submitted Option Rent is the closest to the actual Option Rent, taking into account the requirements of Section 2.2.2 of this Lease, as determined by the arbitrators. Each such arbitrator shall be appointed within twenty (20) business days after the Outside Agreement Date. Landlord and Tenant may consult with their selected arbitrators prior to appointment and may select an arbitrator who is favorable to their respective positions (including an arbitrator who has previously represented Landlord and/or Tenant, as applicable). The arbitrators so selected by Landlord and Tenant shall be deemed "**Advocate Arbitrators.**"

2.1.3.2 The two (2) Advocate Arbitrators so appointed shall be specifically required pursuant to an engagement letter within ten (10) business days of the date of the appointment of the last appointed Advocate Arbitrator to agree upon and appoint a third arbitrator ("**Neutral Arbitrator**") who shall be qualified under the same criteria set forth hereinabove for qualification of the two Advocate Arbitrators, except that neither the Landlord or Tenant or either parties' Advocate Arbitrator may, directly or indirectly, consult with the Neutral Arbitrator prior or subsequent to his or her appointment, and (ii) the Neutral Arbitrator cannot be someone who has represented Landlord and/or Tenant during the five (5) year period prior to such appointment. The Neutral Arbitrator shall be retained via an engagement letter jointly prepared by Landlord's counsel and Tenant's counsel.

2.1.3.3 The three arbitrators shall, within thirty (30) days of the appointment of the Neutral Arbitrator, reach a decision as to whether the parties shall use Landlord's or Tenant's submitted Option Rent, and shall notify Landlord and Tenant thereof.

2.1.3.4 The decision of the majority of the three arbitrators shall be binding upon Landlord and Tenant.

2.1.3.5 If either Landlord or Tenant fails to appoint an Advocate Arbitrator within twenty (20) days after the Outside Agreement Date, then either party may petition the presiding judge of the Superior Court of San Mateo County to appoint such Advocate Arbitrator subject to the criteria in Section 2.2.3.1 of this Lease, or if he or she refuses to act, either party may petition any judge having jurisdiction over the parties to appoint such Advocate Arbitrator.

2.1.3.6 If the two (2) Advocate Arbitrators fail to agree upon and appoint the Neutral Arbitrator within ten (10) business days after the appointment of the last appointed Advocate Arbitrator, then either party may petition the presiding judge of the Superior Court of San Mateo County to appoint the Neutral Arbitrator, subject to criteria in Section 2.2.3.2 of this Lease, or if he or she refuses to act, either party may petition any judge having jurisdiction over the parties to appoint such arbitrator.

2.1.3.7 The cost of the arbitration shall be paid by Landlord and Tenant equally.

2.1.3.8 In the event that the Option Rent shall not have been determined pursuant to the terms hereof prior to the commencement of the Option Term, Tenant shall be required to pay as Option Rent, an amount equal to 103.5% of the Base Rent payable by Tenant as of the expiration of the initial Lease Term, and upon the final determination of the Option Rent, the payments made by Tenant shall be reconciled with the actual amounts of Option Rent due, and the appropriate party shall make any corresponding payment to the other party.

3. BASE RENT. Tenant shall pay, without prior notice or demand, to Landlord or Landlord's agent at the management office of the Project, or, at Landlord's option, at such other place as Landlord may from time to time designate in writing, by a check for currency which, at the time of payment, is legal tender for private or public debts in the United States of America, base rent ("**Base Rent**") as set forth in Section 4 of the Summary, payable in equal monthly installments as set forth in Section 4 of the Summary in advance on or before the first day of each and every calendar month during the Lease Term for which Base Rent is payable, without any setoff or deduction whatsoever, except as expressly set forth in this Lease. The Base Rent for the first full month of the Lease Term for which Base Rent is payable following the Base Rent Abatement Period shall be paid at the time of Tenant's execution of this Lease. If any Rent payment date (including the Lease Commencement Date) falls on a day of the month other than the first day of such month or if any payment of Rent is for a period which is shorter than one month, the Rent for any fractional month shall accrue on a daily basis for the period from the date such payment is due to the end of such calendar month or to the end of the Lease Term at a rate per day which is equal to 1/365 of the applicable annual Rent. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

4. ADDITIONAL RENT

4.1 **General Terms**.

4.1.1 **Direct Expenses; Additional Rent**. In addition to paying the Base Rent specified in Article 3 of this Lease, Tenant shall pay "**Tenant's Share**" of the annual "**Direct Expenses,**" as those terms are defined in Sections 4.2.6 and 4.2.2 of this Lease, respectively. 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 Base Rent and the Additional Rent are herein collectively referred to as "**Rent.**" All amounts due under this Article 4 as Additional Rent shall be payable for the same periods and in the same manner as the Base Rent. Without limitation on other obligations of Tenant which survive the expiration of the Lease Term, the obligations of Tenant to pay the Additional Rent provided for in this Article 4 shall survive the expiration of the Lease Term.

4.1.2 **Triple Net Lease**. Landlord and Tenant acknowledge that, except as otherwise provided to the contrary in this Lease, it is their intent and agreement that this Lease be a "**TRIPLE NET**" lease and that as such, the provisions contained in this Lease are intended to pass on to Tenant or reimburse Landlord for the costs and expenses reasonably associated with this Lease, the Building and the Project, and Tenant's operation therefrom. To the extent such costs and expenses payable by Tenant cannot be charged directly to, and paid by, Tenant, such costs and expenses shall be paid by Landlord but reimbursed by Tenant as Additional Rent.

4.2 **Definitions of Key Terms Relating to Additional Rent**. As used in this Article 4, the following terms shall have the meanings hereinafter set forth:

4.2.1 Intentionally Deleted.

4.2.2 "**Direct Expenses**" shall mean "**Operating Expenses**" and "**Tax Expenses**."

4.2.3 "**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, provided that Landlord, upon notice to Tenant, may change the Expense Year from time to time to any other twelve (12) consecutive month period, and, in the event of any such change, Tenant's Share of Direct Expenses shall be equitably adjusted for any Expense Year involved in any such change.

4.2.4 "**Operating Expenses**" shall mean 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, security, repair, replacement, restoration or operation of the Project (including, without limitation, the Amenity Building if and when constructed), or any portion thereof. Without limiting the generality of the foregoing, Operating Expenses shall specifically include any and all of the following: (i) the cost of supplying all utilities (except to the extent Tenant and the other tenants of the Project pay for such utilities directly on a submetered or metered basis), the cost of operating, repairing, maintaining, and renovating the utility, telephone, mechanical, sanitary, storm drainage, and elevator systems, and the cost of maintenance and service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections and the cost of contesting any governmental enactments which may affect Operating Expenses, and the costs incurred in connection with a governmentally mandated transportation system management program or similar program; (iii) the cost of all insurance carried by Landlord in connection with the Project and Premises as reasonably determined by Landlord; (iv) the cost of landscaping, relamping, and all supplies, tools, equipment and materials used in the operation, repair and maintenance of the Project, or any portion thereof; (v) the cost of parking area operation, repair, restoration, and maintenance; (vi) fees and other costs, including management fees (subject to the exclusion (p) below) and/or incentive fees, consulting fees, legal fees and accounting fees, of all contractors and consultants in connection with the management, operation, maintenance and repair of the Project; (vii) payments under any equipment rental agreements and the fair rental value of any management office space; (viii) subject to item (f), below, wages, salaries and other compensation and benefits, including taxes levied thereon, of all persons engaged in the operation, maintenance and security of the Project; (ix) rent or imputed rent for any office space occupied by Project management personnel, and rent or imputed rent for the Amenity Building after the same is completed and in operation (subject to the terms of item (m), below); (x) operation, repair, maintenance and replacement of all systems and equipment and components thereof of the Project; (xi) the cost of janitorial, alarm, security and other services, replacement of wall and floor coverings, ceiling tiles and fixtures in common areas, maintenance and replacement of curbs and walkways, repair to roofs and re-roofing; (xii) amortization (including interest on the unamortized cost) over the useful life of such items as Landlord shall reasonably determine in accordance with sound real estate management and accounting practices, consistently applied, of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Project, or any portion thereof; (xiii) the cost of capital repairs replacements or improvements or other costs incurred in connection with the Project (A) which are intended to effect economies in the operation or maintenance of the Project, or any portion thereof, or to reduce current or future Operating Expenses or to enhance the safety or security of the Project or its occupants, or (B) that are required under any governmental law or regulation; provided, however, that any capital expenditure shall be amortized (including reasonable interest on the amortized cost) over its useful life as Landlord shall reasonably determine in accordance with sound real estate management and accounting practices, consistently applied; (xiv) costs, fees, charges or assessments imposed by, or resulting from any mandate imposed on Landlord by, any federal, state or local government for fire and police protection, trash removal, community services, or other services which do not constitute "Tax Expenses" as that term is defined in Section 4.2.5, below, (xv) cost of tenant relation programs reasonably established by Landlord, and (xvi) payments under any easement, license, operating agreement, declaration, restrictive covenant, or instrument pertaining to the sharing of costs by the Building, including, without limitation, any covenants, conditions and restrictions affecting the property, and reciprocal easement agreements affecting the property, any parking licenses, and any agreements with transit agencies affecting the Property (collectively, "**Underlying Documents**"). Notwithstanding the foregoing, for purposes of this Lease, Operating Expenses shall not, however, include:

(a) costs, including legal fees, space planners' fees, advertising and promotional expenses (except as otherwise set forth above), and brokerage fees incurred in connection with the original construction or development, or original or future leasing of the Project, and costs, including permit, license and inspection costs, incurred with respect to the installation of tenant improvements made for new tenants initially occupying space in the Project after the Lease Commencement Date or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Project (excluding, however, such costs relating to any Common Areas of the Project or parking facilities), and any costs or expenses incurred in connection with the relocation of any tenants and costs for the repair or replacement of the Base Building (or any component thereof) made necessary as a result of defects in the original design, workmanship or materials;

(b) except as set forth in items (xii), (xiii), and (xiv) above, depreciation, interest and principal payments on mortgages and other debt costs, if any, penalties and interest, costs of capital repairs and alterations, and costs of capital improvements and equipment;

(c) costs for which the Landlord is reimbursed by any tenant or occupant of the Project or by insurance by its carrier (or would have been reimbursed if Landlord had carried the insurance Landlord is required to carry pursuant to this Lease) or any tenant's carrier or by anyone else, and electric power costs for which any tenant directly contracts with the local public service company;

(d) any bad debt loss, rent loss, or reserves for bad debts or rent loss;

(e) 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 Project (which shall specifically include, but not be limited to, accounting costs associated with the operation of the Project). Costs associated with the operation of the business of the partnership or entity which constitutes the Landlord include costs of 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 Project, and costs incurred in connection with any disputes between Landlord and its employees, between Landlord and Project management, or between Landlord and other tenants or occupants;

(f) the wages and benefits of any employee who does not devote substantially all of his or her employed time to the Project unless such wages and benefits are prorated to reflect time spent on operating and managing the Project vis-a-vis time spent on matters unrelated to operating and managing the Project; provided, that in no event shall Operating Expenses for purposes of this Lease include wages and/or benefits attributable to personnel above the level of Project manager;

(g) amount paid as ground rental for the Project by the Landlord;

(h) except for a Project management fee to the extent allowed pursuant to item (vi) above and exclusion (p) below, overhead and profit increment paid to the Landlord or to subsidiaries or affiliates of the Landlord for services in the Project to the extent the same exceeds the costs of such services rendered by qualified, first-class unaffiliated third parties on a competitive basis;

(i) any compensation paid to clerks, attendants or other persons in commercial concessions operated by the Landlord;

(j) rentals and other related expenses incurred in leasing air conditioning systems, elevators or other equipment which if purchased the cost of which would be excluded from Operating Expenses as a capital cost, except equipment not affixed to the Project which is used in providing engineering, janitorial or similar services and, further excepting from this exclusion such equipment rented or leased to remedy or ameliorate an emergency condition in the Project ;

(k) all costs, items and services for which Tenant or any other tenant or other occupant in the Project reimburses Landlord or which Landlord provides selectively to one or more tenants (other than Tenant) without reimbursement;

(l) any costs expressly excluded from Operating Expenses elsewhere in this Lease;

(m) rent or imputed rent for any office space occupied by Project management personnel to the extent the size or rental rate of such office space exceeds the size or fair market rental value of office space occupied by management personnel of the comparable buildings in the vicinity of the Building, with adjustment where appropriate for the size of the applicable project, or rent or imputed rent for the Amenity Building at a rate that exceeds the Base Rent per RSF payable by Tenant for the Premises in any Expense Year;

(n) costs, to the extent arising from the gross negligence or willful misconduct of Landlord or any Landlord Parties;

(o) costs incurred to comply with laws relating to the removal of hazardous material (as defined under Applicable Law) which was in existence in the Building or on the Project prior to the Lease Commencement Date, and was of such a nature that a federal, State or municipal governmental authority, if it had then had knowledge of the presence of such hazardous material, in the state, and under the conditions that it then existed in the Building or on the Project, would have then required the removal of such hazardous material or other remedial or containment action with respect thereto; and costs incurred to remove, remedy, contain, or treat hazardous material, which hazardous material is brought into the Building or onto the Project after the date hereof by Landlord or any other tenant of the Project and is of such a nature, at that time, that a federal, State or municipal governmental authority, if it had then had knowledge of the presence of such hazardous material, in the state, and under the conditions, that it then exists in the Building or on the Project, would have then required the removal of such hazardous material or other remedial or containment action with respect thereto;

(p) fees payable by Landlord for management of the Project in excess of four percent (4%) of Landlord's gross revenues for the Project (the "**Management Fee Cap**"); and

(q) any operating deficits relating to the operation of a café, restaurant or similar food and beverage concession.

4.2.5 **Taxes**.

4.2.5.1 "**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 by Landlord in connection with the Project, 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 Project, or any portion thereof.

4.2.5.2 Tax Expenses shall include, without limitation: (i) Any tax on the rent, right to rent or other income from the Project, or any portion thereof, or as against the business of leasing the Project, 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; (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; and (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 or the improvements thereon.

4.2.5.3 Any costs and expenses (including, without limitation, reasonable attorneys' and consultants' fees) incurred in attempting to protest, reduce or minimize Tax Expenses shall be included in Tax Expenses in the Expense Year such expenses are incurred. Tax refunds 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 Additional Rent under this Article 4 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 Tenant's Share of any 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 4.2.5 (except as set forth in Section 4.2.5.1 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 rents, receipts or income attributable to operations at the Project), (ii) any items included (or expressly excluded, other than Tax Expenses) as Operating Expenses, and (iii) any items paid by Tenant under Section 4.5 of this Lease.

4.2.6 "**Tenant's Share**" shall mean the percentage set forth in Section 6 of the Summary.

4.3 **Allocation of Direct Expenses**. The parties acknowledge that the Building is a part of a multi- building project and that the costs and expenses incurred in connection with the Project (i.e., the Direct Expenses) should be shared between the Building and the other buildings in the Project. Accordingly, as set forth in Section 4.2 above, Direct Expenses (which consist of Operating Expenses and Tax Expenses) are determined annually for the Project as a whole, and a portion of the Direct Expenses, which portion shall be determined by Landlord on an equitable basis, shall be allocated to the Building (as opposed to other buildings in the Project). Such portion of Direct Expenses allocated to the Building shall include all Direct Expenses attributable solely to the Building and an equitable portion of the Direct Expenses attributable to the Project as a whole, and shall not include Direct Expenses attributable solely to other buildings in the Project. Notwithstanding the foregoing, costs and expenses relating to the Amenity Building in any Expense Year shall be allocated to the Building based on the rentable square footage of the Building as a share of the total then entitled buildable square footage for the Project. Accordingly, if the total entitled square footage of the Project is increased, then the allocation of the Amenity Building to the Direct Expenses for the Building shall be appropriately reduced.

4.4 **Calculation and Payment of Additional Rent**. Tenant shall pay to Landlord, in the manner set forth in Section 4.4.1, below, and as Additional Rent, Tenant's Share of Direct Expenses for each Expense Year.

4.4.1 **Statement of Actual Direct Expenses and Payment by Tenant**. Landlord shall give to Tenant within five (5) months following the end of each Expense Year, a statement (the "**Statement**") which shall state the Direct Expenses incurred or accrued for such preceding Expense Year, and which shall indicate the amount of Tenant's Share of Direct Expenses. Upon receipt of the Statement for each Expense Year commencing or ending during the Lease Term, Tenant shall pay, within thirty (30) days following the receipt of the Statement, the full amount of Tenant's Share 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 4.4.2, below, and if Tenant paid more as Estimated Direct Expenses than the actual Tenant's Share of Direct Expenses, Tenant shall receive a credit in the amount of Tenant's overpayment against Rent next due under this Lease or a refund if the Lease Term has ended as provided 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 Article 4. Even though the Lease Term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's Share of Direct Expenses for the Expense Year in which this Lease terminates, if Tenant's Share of Direct Expenses is greater than the amount of Estimated Direct Expenses previously paid by Tenant to Landlord, Tenant shall, within thirty (30) days after receipt of the Statement, pay to Landlord such amount, and if Tenant paid more as Estimated Direct Expenses than the actual Tenant's Share of Direct Expenses, Landlord shall, within thirty (30) days after delivering the Statement to Tenant, deliver a check payable to Tenant in the amount of the overpayment . Notwithstanding the immediately preceding sentence, Tenant shall not be responsible for Tenant's Share of any Direct Expenses attributable to any Expense Year which are first billed to Tenant more than eighteen (18) months after the earlier of the expiration of the applicable Expense Year in which such Direct Expense was incurred, provided that in any event Tenant shall be responsible for Tenant's Share of Direct Expenses levied by any governmental authority or by any public utility companies at any time which are attributable to any Expense Year (provided that Landlord delivers Tenant a bill for such amounts within six (6) months following Landlord's receipt of the bill therefor). The provisions of this Section 4.4.1 shall survive the expiration or earlier termination of the Lease Term.

4.4.2 **Statement of Estimated Direct Expenses**. In addition, Landlord shall give Tenant a yearly expense estimate statement (the "**Estimate Statement**") (and shall use commercially reasonable efforts to deliver the Estimate Statement within five (5) months of each year) which shall set forth Landlord's reasonable estimate (the "**Estimate**") of what the total amount of Direct Expenses for the then-current Expense Year shall be and the estimated Tenant's Share of 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 Direct Expenses under this Article 4, nor shall Landlord be prohibited from revising any Estimate Statement or Estimated Direct Expenses theretofore delivered to the extent necessary. Thereafter, Tenant shall pay, within thirty (30) days following the receipt of the Statement, a fraction of the Estimated Direct Expenses for the then-current Expense Year (reduced by any amounts paid pursuant to the third-to-last sentence of this Section 4.4.2). 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. Any amounts paid based on such an Estimate shall be subject to adjustment as provided in Section 4.4.1 above when actual Direct Expenses are available for each Expense Year. Throughout the Lease Term Landlord shall maintain records with respect to Direct Expenses in accordance with sound real estate management and accounting practices, consistently applied.

4.5 **Taxes and Other Charges for Which Tenant Is Directly Responsible**. Tenant shall be liable for and shall pay ten (10) days before delinquency, taxes levied against Tenant's equipment, furniture, fixtures and any other personal property located in or about the Premises. 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.

4.6 **Landlord's Books and Records**. Within one hundred twenty (120) days after receipt by Tenant of a Statement, if Tenant disputes the amount of Additional Rent set forth in the Statement, a member of Tenant's finance department, or an independent certified public accountant (which accountant is a member of a nationally recognized accounting firm and is not working on a contingency fee basis) ("**Tenant's Accountant**"), designated and paid for by Tenant, may, after reasonable notice to Landlord and at reasonable times, inspect Landlord's records with respect to the Statement at Landlord's offices, provided that there is no existing Event of Default and Tenant has paid all amounts required to be paid under the applicable Estimate Statement and Statement, as the case may be. In connection with such inspection, Tenant and Tenant's agents must agree in advance to follow Landlord's reasonable rules and procedures regarding inspections of Landlord's records, and shall execute a commercially reasonable confidentiality agreement regarding such inspection. Tenant's failure to dispute the amount of Additional Rent set forth in any Statement within one hundred twenty (120) days 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 dispute the amounts set forth in such Statement. If after such inspection, Tenant still disputes such Additional Rent, a determination as to the proper amount shall be made, at Tenant's expense, by an independent certified public accountant (the "**Accountant**") selected by Landlord and subject to Tenant's reasonable approval; provided that if such Accountant determines that Direct Expenses were overstated by more than five percent (5%), then the cost of the Accountant and the cost of such determination shall be paid for by Landlord, and Landlord shall reimburse Tenant for the cost of the Tenant's Accountant (provided that such cost shall be a reasonable market cost for such services). Tenant hereby acknowledges that Tenant's sole right to inspect Landlord's books and records and to contest the amount of Direct Expenses payable by Tenant shall be as set forth in this Section 4.6, and Tenant hereby waives any and all other rights pursuant to applicable law to inspect such books and records and/or to contest the amount of Direct Expenses payable by Tenant.

4.7 **Miscellaneous**. Landlord shall (i) not make a profit by charging items to Operating Expenses that are otherwise also charged separately to others and (ii) Landlord shall not collect Operating Expenses from Tenant and all other tenants/occupants in the Building in an amount in excess of what Landlord incurred for the items included in Operating Expenses.

5. USE OF PREMISES

5.1 **Permitted Use**. Tenant shall use the Premises solely for the Permitted Use set forth in Section 7 of the Summary and Tenant shall not use or permit the Premises or the Project to be used for any other purpose or purposes whatsoever without the prior written consent of Landlord, which may be withheld in Landlord's sole discretion.

5.2 **Prohibited Uses**. Tenant further covenants and agrees that Tenant shall not use, or suffer or permit any person or persons to use, the Premises or any part thereof for any use or purpose in violation of, the laws of the United States of America, the State of California, or the ordinances, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Project) including, without limitation, any such laws, ordinances, regulations or requirements relating to hazardous materials or substances, as those terms are defined by applicable laws now or hereafter in effect, or any Underlying Documents. Landlord shall have the right to impose reasonable and customary rules and regulations regarding the use of the Project, as reasonably deemed necessary by Landlord with respect to the orderly operation of the Project, and Tenant shall comply with such reasonable rules and regulations. Tenant shall not do or permit anything to be done in or about the Premises which will in any way damage the reputation of the Project or obstruct or interfere with the rights of other tenants or occupants of the Building, or injure or annoy them or use or allow the Premises to be used for any improper, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall comply with, and Tenant's rights and obligations under the Lease and Tenant's use of the Premises shall be subject and subordinate to, all recorded easements, covenants, conditions, and restrictions now or hereafter affecting the Project.

5.3 **Hazardous Materials**.

5.3.1 **Tenant's Obligations**.

5.3.1.1 **Prohibitions**. As a material inducement to Landlord to enter into this Lease with Tenant, Tenant has fully and accurately completed Landlord's Pre-Leasing Environmental Exposure Questionnaire (the "**Environmental Questionnaire**"), which is attached as **Exhibit E**. Tenant agrees that except for those chemicals or materials, and their respective quantities, specifically listed on the Environmental Questionnaire (as updated from time to time), neither Tenant nor Tenant's employees, contractors and subcontractors of any tier, entities with a contractual relationship with Tenant (other than Landlord), or any entity acting as an agent or sub-agent of Tenant (collectively, "**Tenant's Agents**") will produce, use, store or generate any "Hazardous Materials," as that term is defined below, on, under or about the Premises, nor cause or permit any Hazardous Material to be brought upon, placed, stored, manufactured, generated, blended, handled, recycled, used or "Released," as that term is defined below, on, in, under or about the Premises. If any information provided to Landlord by Tenant on the Environmental Questionnaire, or otherwise relating to information concerning Hazardous Materials is intentionally or knowingly false, incomplete, or misleading in any material respect, the same shall be deemed an Event of Default by Tenant. Tenant shall deliver to Landlord an updated Environmental Questionnaire at least once a year, and Tenant may update the Environmental Questionnaire when Tenant anticipates a change in the types and amounts of Hazardous Materials Tenant will use in the Premises. Landlord's prior written consent shall be required to any Hazardous Materials use for the Premises not described on the Environmental Questionnaire as updated from time to time by Tenant, such consent to be withheld only in Landlord's commercially reasonable discretion. Tenant shall not install or permit any underground storage tank on the Premises. For purposes of this Lease, "**Hazardous Materials**" means all flammable explosives, petroleum and petroleum products, waste oil, radon, radioactive materials, toxic pollutants, asbestos, polychlorinated biphenyls ("**PCBs**"), medical waste, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, including without limitation any chemical, element, compound, mixture, solution, substance, object, waste or any combination thereof, which is or may be hazardous to human health, safety or to the environment due to its radioactivity, ignitability, corrosiveness, reactivity, explosiveness, toxicity, carcinogenicity, infectiousness or other harmful or potentially harmful properties or effects, or defined as, regulated as or included in, the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any Environmental Laws, except for de minimis quantities of typical cleaning and office supplies, all of which shall be stored, used and disposed of in accordance with applicable laws. The term "Hazardous Materials" for purposes of this Lease shall also include any mold, fungus or spores, whether or not the same is defined, listed, or otherwise classified as a "hazardous material" under any Environmental Laws, if such mold, fungus or spores may pose a risk to human health. For purposes of this Lease, "**Release**" or "**Released**" or "**Releases**" shall mean any release, deposit, discharge, emission, leaking, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing, or other movement of Hazardous Materials into the environment. For the avoidance of doubt and notwithstanding anything to the contrary in this Lease, nothing in this Article 5 shall be construed to require any action by Tenant that is inconsistent with the allocation of responsibility between Landlord and Tenant for the making of repairs or Alterations as provided in Articles 7 and/or 8.

5.3.1.2 **Notices to Landlord**. Tenant shall notify Landlord in writing as soon as possible but in no event later than five (5) days after (i) the occurrence of any actual, alleged or threatened Release of any Hazardous Material in, on, under, from, about or in the vicinity of the Premises (whether past or present), regardless of the source or quantity of any such Release, or (ii) Tenant becomes aware of any regulatory actions, inquiries, inspections, investigations, directives, or any cleanup, compliance, enforcement or abatement proceedings (including any threatened or contemplated investigations or proceedings) relating to or potentially affecting the Premises, or (iii) Tenant becomes aware of any claims by any person or entity relating to any Hazardous Materials in, on, under, from, about or in the vicinity of the Premises, whether relating to damage, contribution, cost recovery, compensation, loss or injury. Collectively, the matters set forth in clauses (i), (ii) and (iii) above are hereinafter referred to as "**Hazardous Materials Claims**". Tenant shall promptly forward to Landlord copies of all orders, notices, permits, applications and other communications and reports in connection with any Hazardous Materials Claims. Additionally, Tenant shall promptly advise Landlord in writing of Tenant's discovery of any occurrence or condition on, in, under or about the Premises that could subject Tenant or Landlord to any liability, or restrictions on ownership, occupancy, transferability or use of the Premises under any "Environmental Laws," as that term is defined below. Tenant shall not enter into any legal proceeding or other action, settlement, consent decree or other compromise with respect to any Hazardous Materials Claims without first notifying Landlord of Tenant's intention to do so and affording Landlord the opportunity to join and participate, as a party if Landlord so elects, in such proceedings and in no event shall Tenant enter into any agreements which are binding on Landlord or the Premises without Landlord's prior written consent. Landlord shall have the right to appear at and participate in, any and all legal or other administrative proceedings concerning any Hazardous Materials Claim. For purposes of this Lease, "**Environmental Laws**" means all applicable present and future laws relating to the protection of human health, safety, wildlife or the environment, including, without limitation, (i) all requirements pertaining to reporting, licensing, permitting, investigation and/or remediation of emissions, discharges, Releases, or threatened Releases of Hazardous Materials, whether solid, liquid, or gaseous in nature, into the air, surface water, groundwater, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of Hazardous Materials; and (ii) all requirements pertaining to the health and safety of employees or the public. Environmental Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC § 9601, et seq., the Hazardous Materials Transportation Authorization Act of 1994, 49 USC § 5101, et seq., the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, and Hazardous and Solid Waste Amendments of 1984, 42 USC § 6901, et seq., the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 USC § 1251, et seq., the Clean Air Act of 1966, 42 USC § 7401, et seq., the Toxic Substances Control Act of 1976, 15 USC § 2601, et seq., the Safe Drinking Water Act of 1974, 42 USC §§ 300f through 300j, the Occupational Safety and Health Act of 1970, as amended, 29 USC § 651 et seq., the Oil Pollution Act of 1990, 33 USC § 2701 et seq., the Emergency Planning and Community Right-To-Know Act of 1986, 42 USC § 11001 et seq., the National Environmental Policy Act of 1969, 42 USC § 4321 et seq., the Federal Insecticide, Fungicide and Rodenticide Act of 1947, 7 USC § 136 et seq., California Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health & Safety Code §§ 25300 et seq., Hazardous Materials Release Response Plans and Inventory Act, California Health & Safety Code, §§ 25500 et seq., Underground Storage of Hazardous Substances provisions, California Health & Safety Code, §§ 25280 et seq., California Hazardous Waste Control Law, California Health & Safety Code, §§ 25100 et seq., and any other state or local law counterparts, as amended, as such Applicable Laws, are in effect as of the Lease Commencement Date, or thereafter adopted, published, or promulgated.

5.3.1.3 **Releases of Hazardous Materials**. If, due to the acts or omissions of Tenant or any Tenant's Agent, any Release of any Hazardous Material in, on, under, from or about the Premises shall occur at any time during the Lease and/or if, due to the acts or omissions of Tenant or any Tenant's Agent, any other Hazardous Material condition exists at the Premises that requires response actions of any kind, in addition to notifying Landlord as specified above, Tenant, at its own sole cost and expense, shall (i) immediately comply with any and all reporting requirements imposed pursuant to any and all Environmental Laws, (ii) provide a written certification to Landlord indicating that Tenant has complied with all applicable reporting requirements, (iii) take any and all necessary investigation, corrective and remedial action in accordance with any and all applicable Environmental Laws, utilizing an environmental consultant approved by Landlord, all in accordance with the provisions and requirements of this Section 5.3, including, without limitation, Section 5.3.4, and (iv) take any such additional investigative, remedial and corrective actions such that the Premises are remediated to the condition required by Environmental Laws.

5.3.1.4 **Indemnification**.

5.3.1.4.1 **In General**. Without limiting in any way Tenant's obligations under any other provision of this Lease, Tenant shall be solely responsible for and shall protect, defend, indemnify and hold the Landlord Parties harmless from and against any and all claims, judgments, losses, damages, costs, expenses, penalties, enforcement actions, taxes, fines, remedial actions, liabilities (including, without limitation, actual attorneys' fees, litigation, arbitration and administrative proceeding costs, expert and consultant fees and laboratory costs) including, without limitation, consequential damages and sums paid in settlement of claims, which arise during or after the Lease Term, whether foreseeable or unforeseeable, directly or indirectly arising out of or attributable to the presence, use, generation, manufacture, treatment, handling, refining, production, processing, storage, Release or presence of Hazardous Materials in, on, under or about the Premises by Tenant or Tenant's Agents. Landlord shall provide copies of the most recent closure reports for the Premises following receipt thereof from the existing tenant of the Premises.

5.3.1.4.2 **Limitations**. Notwithstanding anything in this Section 5.3.1.4 to the contrary, neither Tenant's indemnity of Landlord as set forth in Section 5.3.1.4, above, nor Tenant's investigation, corrective or remedial obligations as set forth in Section 5.3.1.3, above shall be applicable to claims based upon Hazardous Materials not Released by Tenant or Tenant's Agents.

5.3.1.4.3 **Landlord Indemnity**. Under no circumstance shall Tenant be liable for, and Landlord shall indemnify, defend, protect and hold harmless Tenant and Tenant's Agents from and against, all losses, costs, claims, liabilities and damages (including attorneys' and consultants' fees) arising out of any Hazardous Materials that exist in, on or about the Project prior to the Possession Date, or Hazardous Materials brought onto the Project or Released by Landlord or any Landlord Parties, and Landlord shall remediate the same in compliance with Environmental Laws. Landlord will provide Tenant with any Hazardous Material reports relating to the Building that Landlord has in its immediate possession. The provision of such reports shall be for informational purposes only, and Landlord does not make any representation or warranty as to the correctness or completeness of any such reports. Landlord's indemnification obligation under this Section 5.3.1.4.3 shall survive the expiration or earlier termination of this Lease.

5.3.1.5 **Compliance with Environmental Laws**. Without limiting the generality of Tenant's obligation to comply with applicable laws as otherwise provided in this Lease, Tenant shall, at its sole cost and expense, comply with all Environmental Laws applicable to its use or use by any Tenant's Agents of any Hazardous Materials. Tenant shall obtain and maintain any and all necessary permits, licenses, certifications and approvals appropriate or required for the use, handling, storage, and disposal of any Hazardous Materials used, stored, generated, transported, handled, blended, or recycled by Tenant on the Premises. Landlord shall have a continuing right, without obligation, to require Tenant to obtain, and to review and inspect any and all such permits, licenses, certifications and approvals, together with copies of any and all Hazardous Materials management plans and programs, any and all Hazardous Materials risk management and pollution prevention programs, and any and all Hazardous Materials emergency response and employee training programs respecting Tenant's use of Hazardous Materials. If Landlord has reasonable grounds to be concerned that Tenant has failed to comply with the provisions of this Article 5, upon request of Landlord, Tenant shall deliver to Landlord a narrative description explaining the nature and scope of Tenant's activities involving Hazardous Materials and showing to Landlord's satisfaction compliance with all Environmental Laws and the terms of this Lease.

5.3.2 **Assurance of Performance**.

5.3.2.1 **Environmental Assessments In General**. Landlord may, but shall not be required to, engage from time to time such contractors as Landlord determines to be appropriate to perform environmental assessments of a scope reasonably determined by Landlord (an "**Environmental Assessment**") to ensure Tenant's compliance with the requirements of this Lease with respect to Hazardous Materials. The environmental assessment conducted by Landlord's consultant shall not unreasonably interfere with Tenant's operations at the Premises. Landlord shall require its consultant to provide insurance against claims, damages, or costs arising from bodily injury or property damage caused to Tenant or the Premises by Landlord's consultant. The Environmental Assessment shall not include access to areas of Tenant's operations that are protected as confidential business information or contain operations or processes that are protected under intellectual property rights, such as, but not limited to, trade secrets.

5.3.2.2 **Costs of Environmental Assessments**. All costs and expenses incurred by Landlord in connection with any such Environmental Assessment initially shall be paid by Landlord; provided that if any such Environmental Assessment shows that Tenant has failed to comply with the provisions of this Section 5.3, then all of the reasonable costs and expenses of such Environmental Assessment shall be reimbursed by Tenant as Additional Rent within ten (10) days after receipt of written demand therefor.

5.3.3 **Tenant's Obligations upon Surrender**. At the expiration or earlier termination of the Lease Term, Tenant, at Tenant's sole cost and expense, shall: (i) cause an Environmental Assessment of the Premises to be conducted in accordance with Section 15.3; (ii) cause all Hazardous Materials brought onto the Premises by Tenant or Tenant's Agents to be removed from the Premises and disposed of in accordance with all Environmental Laws and as necessary to allow the Premises to be used for purposes consistent with First Class Life Sciences Projects; and (iii) cause to be removed all containers installed or used by Tenant or Tenant's Agents to store any Hazardous Materials on the Premises, and cause to be repaired any damage to the Premises caused by such removal.

5.3.4 **Clean-up**.

5.3.4.1 **Environmental Reports; Clean-Up**. If any written report, including any report containing results of any Environmental Assessment (an "**Environmental Report**") shall indicate (i) the presence of any Hazardous Materials as to which Tenant has a removal or remediation obligation under this Section 5.3, and (ii) that as a result of same, the investigation, characterization, monitoring, assessment, repair, closure, remediation, removal, or other clean-up (the "**Clean-up**") of any Hazardous Materials is required, Tenant shall immediately prepare and submit to Landlord within thirty (30) days after receipt of the Environmental Report a comprehensive plan, subject to Landlord's written approval (not to be unreasonably withheld, conditioned or delayed), specifying the actions to be taken by Tenant to perform the Clean-up so that the Premises are restored to the condition required by Environmental Laws (the "**Clean-Up Plan**"). Upon Landlord's approval of the Clean-up Plan, Tenant shall, at Tenant's sole cost and expense, without limitation on any rights and remedies of Landlord under this Lease, immediately implement such plan with a consultant reasonably acceptable to Landlord and proceed to Clean-up Hazardous Materials in accordance with all applicable laws and as required by such plan and this Lease. If, within thirty (30) days after receiving a copy of such Environmental Report, Tenant fails either (a) to complete such Clean-up, or (b) with respect to any Clean-up that cannot be completed within such thirty-day period, fails to proceed with diligence to prepare the Clean-up Plan and complete the Clean-up as promptly as practicable, then Landlord shall have the right, but not the obligation, and without waiving any other rights under this Lease, to carry out any Clean-up recommended by the Environmental Report or required by any governmental authority having jurisdiction over the Premises, and recover all of the costs and expenses thereof from Tenant as Additional Rent, payable within thirty (30) days after receipt of written demand therefor.

5.3.4.2 **No Rent Abatement**. Tenant shall continue to pay all Rent due or accruing under this Lease during any Clean-up, and shall not be entitled to any reduction, offset or deferral of any Base Rent or Additional Rent due or accruing under this Lease during any such Clean-up.

5.3.4.3 **Surrender of Premises**. Tenant shall complete any Clean-up prior to surrender of the Premises upon the expiration or earlier termination of this Lease. Tenant shall obtain and deliver to Landlord a letter or other written determination from the overseeing governmental authority confirming that the Clean-up has been completed in accordance with all requirements of such governmental authority and that no further response action of any kind is required for the use of the Premises for a use consistent with the Permitted Use and consistent with First Class Life Sciences Projects ("**Closure Letter**"). Upon the expiration or earlier termination of this Lease, Tenant shall also be obligated to close all permits obtained in connection with Hazardous Materials in accordance with applicable laws.

5.3.4.4 **Failure to Timely Clean-Up**. Should any Clean-up for which Tenant is responsible not be completed, or should Tenant not receive the Closure Letter and any governmental approvals required under Environmental Laws in conjunction with such Clean-up prior to the expiration or earlier termination of this Lease, then commencing on the later of the termination of this Lease and three (3) business days after Landlord's delivery of notice of such failure and that it elects to treat such failure as a holdover, Tenant shall be liable to Landlord as a holdover tenant (as more particularly provided in Article 16) until Tenant has fully complied with its obligations under this Section 5.3.

5.3.5 **Confidentiality**. Unless required to do so by Applicable Law, Tenant agrees that Tenant shall not disclose, discuss, disseminate or copy any information, data, findings, communications, conclusions and reports regarding the environmental condition of the Premises to any person or entity (other than Tenant's consultants, attorneys, property managers and employees that have a need to know such information), including any governmental authority, without the prior written consent of Landlord. In the event Tenant reasonably believes that disclosure is required by applicable law, it shall provide Landlord ten (10) days' advance notice of disclosure of confidential information so that Landlord may attempt to obtain a protective order. Tenant may additionally release such information to bona fide prospective purchasers, lenders, assignees or subtenants, subject to any such parties' written agreement to be bound by the terms of this Section 5.3.5.

5.3.6 **Copies of Environmental Reports**. Within thirty (30) days of Tenant's actual receipt thereof, Tenant shall provide Landlord with a copy of any and all environmental assessments, audits, studies and reports regarding Tenant's activities with respect to the Premises, or ground water beneath the Project, or the environmental condition or Clean-up thereof. Tenant shall be obligated to provide Landlord with a copy of such materials without regard to whether such materials are generated by Tenant or prepared for Tenant, or how Tenant comes into possession of such materials; provided that nothing herein shall be construed as obligating Tenant to provide to Landlord documents or communications protected by the attorney-client privilege, attorney-work product doctrine or any other legally recognized privilege.

5.3.7 **Intentionally Omitted**.

5.3.8 **Signs, Response Plans, Etc**. Tenant shall be responsible for posting on the Premises any signs required under applicable Environmental Laws. Tenant shall also complete and file any business response plans or inventories required by any Applicable Laws. Tenant shall concurrently file a copy of any such business response plan or inventory with Landlord.

5.3.9 **Survival**. Each covenant, agreement, representation, warranty and indemnification made by Tenant set forth in this Section 5.3 shall survive the expiration or earlier termination of this Lease and shall remain effective until all of Tenant's obligations under this Section 5.3 have been completely performed and satisfied.

6. SERVICES AND UTILITIES

6.1 **In General**. Tenant will be responsible, at its sole cost and expense, for the furnishing of all services and utilities to the Premises, including, but not limited to heating, ventilation and air-conditioning ("**HVAC**"), electricity, water, telephone, janitorial and interior Building security services.

6.1.1 All utilities (including without limitation, electricity, gas, sewer and water) to the Building are separately metered at the Premises and shall be paid directly by Tenant to the applicable utility provider. Tenant may, at its election, consume utilities on a 24/7 basis.

6.1.2 Landlord shall not provide janitorial services for the Premises. Tenant shall be solely responsible for performing all janitorial services and other cleaning of the Premises, all in compliance with Applicable Laws. The janitorial and cleaning of the Premises shall be adequate to maintain the Premises in a manner consistent with First Class Life Sciences Projects.

Tenant shall cooperate fully with Landlord at all times and abide by all reasonable regulations and requirements that Landlord may reasonably prescribe for the proper functioning and protection of the HVAC, electrical, mechanical and plumbing systems. Provided that Landlord agrees to provide and maintain and keep in continuous service utility connections to the Building and Project, including electricity, water and sewage connections, Landlord shall have no obligation to provide any services or utilities to the Building, including, but not limited to HVAC, electricity, water, telephone, janitorial and interior Building security services.

6.2 **Interruption of Use**. Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by breakage, repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building or Project after reasonable effort to do so, by any riot or other dangerous condition, emergency, accident or Casualty (as defined in Section 11.1 below) whatsoever, by act or default of Tenant or other parties, or by any other cause; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease (provided that the foregoing shall not limit Landlord's liability, if any, pursuant to applicable law for bodily injury and property damage to the extent caused by the gross negligence or willful misconduct of Landlord, its agents, employees or contractors). Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Article 6.

6.3 **Energy Performance Disclosure Information**. Tenant hereby acknowledges that Landlord may be required to disclose certain information concerning the energy performance of the Building pursuant to California Public Resources Code Section 25402.10 and the regulations adopted pursuant thereto (collectively the "**Energy Disclosure Requirements**"). Tenant hereby acknowledges prior receipt of the Data Verification Checklist, as defined in the Energy Disclosure Requirements (the "**Energy Disclosure Information**"), and agrees that Landlord has timely complied in full with Landlord's obligations under the Energy Disclosure Requirements. Tenant acknowledges and agrees that (i) Landlord makes no representation or warranty regarding the energy performance of the Building or the accuracy or completeness of the Energy Disclosure Information, (ii) the Energy Disclosure Information is for the current occupancy and use of the Building and that the energy performance of the Building may vary depending on future occupancy and/or use of the Building, and (iii) Landlord shall have no liability to Tenant for any errors or omissions in the Energy Disclosure Information. If and to the extent not prohibited by Applicable Laws, Tenant hereby waives any right Tenant may have to receive the Energy Disclosure Information, including, without limitation, any right Tenant may have to terminate this Lease as a result of Landlord's failure to disclose such information. Further, Tenant hereby releases Landlord from any and all losses, costs, damages, expenses and/or liabilities relating to, arising out of and/or resulting from the Energy Disclosure Requirements, including, without limitation, any liabilities arising as a result of Landlord's failure to disclose the Energy Disclosure Information to Tenant prior to the execution of this Lease. Tenant's acknowledgment of the AS-IS condition of the Premises pursuant to the terms of this Lease shall be deemed to include the energy performance of the Building. Tenant further acknowledges that pursuant to the Energy Disclosure Requirements, Landlord may be required in the future to disclose information concerning Tenant's energy usage 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. Further, Tenant hereby releases Landlord from any and all losses, costs, damages, expenses and liabilities relating to, arising out of and/or resulting from any Tenant Energy Use Disclosure. The terms of this Section 6.3 shall survive the expiration or earlier termination of this Lease.

6.4 **Building Generator**. Commencing on the Lease Commencement Date, Tenant shall have the right to connect to the existing Building back-up generator (the "**Generator**"), to provide back-up generator services to the Premises. During the Lease Term and any renewal terms, Landlord shall maintain the Generator in good working order, condition and repair. The costs of operation, maintenance, and repair of the Generator shall be included in Operating Expenses to the extent provided in Section 4.2.4, and Tenant shall be fully responsible for Tenant's Share of any costs with respect thereto. Landlord shall not be liable for any damages whatsoever resulting from any failure in operation of the Generator, or the failure of the Generator to provide suitable or adequate back-up power to the Premises, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring, or loss to inventory, scientific research, scientific experiments, laboratory animals, products, specimens, samples, and/or scientific, business, accounting and other records of every kind and description kept at the Premises and any and all income derived or derivable therefrom. Landlord shall, upon written request from Tenant (not more frequently than once per calendar year), make available for Tenant's inspection the maintenance contract and maintenance records for the emergency generators for the 12-month period immediately preceding Landlord's receipt of Tenant's written request. Prior to the expiration of the first (1st) Lease Year, Landlord will be responsible to replace the Generator with a new generator providing 600KW of back-up electricity, at Landlord's sole cost and expense (the "**New Generator**"). Landlord shall, at Landlord's sole cost and expense (which shall not be deemed an Operating Expense), make any required material repairs to or replacement of the New Generator during the initial Lease Term (the "**Generator Warranty**"), provided that the need to repair or replace was not caused by Tenant Damage. The Generator Warranty shall not apply to routine maintenance and repair costs, which costs shall be included in Operating Expenses.

6.5 **Tenant's Security System**. Tenant may, at its own expense (but subject to reimbursement from the Tenant Improvement Allowance or Additional Tenant Improvement Allowance), install its own security system ("**Tenant's Security System**") in the Premises, subject to Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed. Any installation of Tenant's Security System shall comply with and be governed by the terms of Article 8 of this Lease. Tenant shall be solely responsible, at Tenant's sole cost and expense, for the monitoring, operation and removal of Tenant's Security System, provided that, notwithstanding the foregoing, Tenant may install any security system it desires that does not require linkage with the Building security system and which does not affect the Building security system and which does not (i) create (a) an adverse effect on the Building structure; (b) a non-compliance with Applicable Laws; (c) an adverse effect on the Building Systems; (d) an effect on the exterior appearance of the Building; or (e) unreasonable interference with the normal and customary office operations of any other tenant in the Building, or (ii) affect Landlord's ability to operate the Building. Tenant shall provide Landlord with any information reasonably required regarding Tenant's Security System in the event access to the Premises is necessary in an emergency. At Landlord's election prior to the expiration or earlier termination of this Lease, Tenant shall leave the Tenant's Security System in the Premises upon the expiration or earlier termination of this Lease, in which event the Tenant's Security System shall be surrendered with the Premises upon the expiration or earlier termination of this Lease, and Tenant shall thereafter have no further rights with respect thereto. In the event that Landlord fails to elect to have the Tenant's Security System left in the Premises upon the expiration or earlier termination of this Lease, then Tenant shall remove the Tenant's Security System prior to the expiration or earlier termination of this Lease, and repair all damage to the Building resulting from such removal, at Tenant's sole cost and expense.

7. REPAIRS.

7.1 **Tenant Repair Obligations**. Subject to Section 7.3 below and Landlord's obligations under Section 1.1.3 above during the Warranty Period, Tenant shall, throughout the Term, at its sole cost and expense, maintain, repair, replace and improve as required, the Premises and Building and every part thereof in a good standard of maintenance, repair and replacement as required, and in good and sanitary condition, all in accordance with the standards of First Class Life Sciences Projects, except for Landlord Repair Obligations, whether or not such maintenance, repair, replacement or improvement is required in order to comply with Applicable Laws ("**Tenant's Repair Obligations**"), including, without limitation, the following: (1) glass, windows, window frames, window casements (including the repairing, resealing, cleaning and replacing of both interior and exterior windows) and skylights; (2) interior and exterior doors, door frames and door closers; (3) interior lighting (including, without limitation, light bulbs and ballasts); (4) the plumbing, sewer, drainage, electrical, fire protection, elevator, escalator, life safety and security systems and equipment, existing heating, ventilation and air-conditioning systems, and all other mechanical, electrical and communications systems and equipment (collectively, the "**Building Systems**"), including without limitation (i) any specialty or supplemental Building Systems installed by or for Tenant and (ii) all electrical facilities and equipment, including lighting fixtures, lamps, fans and any exhaust equipment and systems, electrical motors and all other appliances and equipment of every kind and nature located in, upon or about the Premises; (5) all communications systems serving the Premises; (6) all of Tenant's security systems in or about or serving the Premises; (7) Tenant's signage; (8) interior demising walls and partitions (including painting and wall coverings), equipment, floors, and any roll-up doors, ramps and dock equipment; and (9) the non-structural portions of the roof of the Building, excluding the roof membrane and coverings. Tenant's Repair Obligations exclude the routine maintenance of the load bearing and exterior walls of the Building, including, without limitation, any painting, sealing, patching and waterproofing of such walls. Tenant shall additionally be responsible, at Tenant's sole cost and expense, to furnish all expendables, including light bulbs, paper goods and soaps, used in the Premises, and, to the extent that Landlord notifies Tenant in writing of its intention to no longer arrange for such monitoring, cause the fire alarm systems serving the Premises to be monitored by a monitoring or protective services firm approved by Landlord in writing.

7.2 **Service Contracts**. All Building Systems, including HVAC, elevators, main electrical, plumbing and fire/life-safety systems, shall be maintained, repaired and replaced by Tenant (i) in a commercially reasonable first-class condition, (ii) in accordance with any applicable manufacturer specifications relating to any particular component of such Building Systems, (iii) in accordance with Applicable Laws. Tenant shall contract with a qualified, experienced professional third party service companies (a "**Service Contract**"). Tenant shall regularly, in accordance with commercially reasonable standards, generate and maintain preventive maintenance records relating to each Building's mechanical and main electrical systems, including life safety, elevators and the central plant ("**Preventative Maintenance Records**"). In addition, upon Landlord's request, Tenant shall deliver a copy of all current Service Contracts to Landlord and/or a copy of the Preventative Maintenance Records.

7.3 **Landlord's Right to Perform Tenant's Repair Obligations**. Tenant shall notify Landlord in writing at least thirty (30) days prior to performing any material Tenant's Repair Obligations, including without limitation, any Tenant's Repair Obligation which affect the Building Systems or which is reasonably anticipated to cost more than $100,000.00. Upon receipt of such notice from Tenant, Landlord shall have the right to either (i) perform such material Tenant's Repair Obligation by delivering notice of such election to Tenant within thirty (30) days following receipt of Tenant's notice, and Tenant shall pay Landlord the cost thereof (including Landlord's reasonable supervision fee) within thirty (30) days after receipt of an invoice therefor, or (ii) require Tenant to perform such Tenant's Repair Obligation at Tenant's sole cost and expense. If Tenant fails to perform any Tenant's Repair Obligation within a reasonable time period, as reasonably determined by Landlord, then Landlord may, but need not, following delivery of notice to Tenant of such election, make such Tenant Repair Obligation, and Tenant shall pay Landlord the cost thereof, (including Landlord's reasonable supervision fee) within thirty (30) days after receipt of an invoice therefor.

7.4 **Landlord Repair Obligations**. Landlord shall be responsible for repairs to and routine maintenance of (i) the exterior walls, foundation and roof and roof membrane of the Building, the structural portions of the floors of the Building including, without limitation, any painting, sealing, patching and waterproofing of exterior walls, and (ii) repairs to the elevator in the Building and underground utilities, except to the extent that such repairs are required due to the negligence or willful misconduct of Tenant (the "**Landlord Repair Obligations**"); provided, however, that if such repairs are due to the negligence or willful misconduct of Tenant, Landlord shall nevertheless make such repairs at Tenant's expense, or, if covered by Landlord's insurance, Tenant shall only be obligated to pay any deductible in connection therewith. Costs expended by Landlord in connection with the Landlord Repair Obligations shall be included in Operating Expenses to the extent allowed pursuant to the terms of Article 4, above. Landlord shall cooperate with Tenant to enforce any warranties that Landlord holds that could reduce Tenant's maintenance obligations under this Lease. This Section 7.3 shall be subject to and shall not limit Landlord's obligations under Section 1.1.3 above during the Warranty Period (including with respect to cost responsibility of any work or repairs).

8. ADDITIONS AND ALTERATIONS.

8.1 **Landlord's Consent to Alterations**. Tenant may not make any improvements, alterations, additions or changes to the Premises or any mechanical, plumbing or HVAC facilities or systems pertaining to the Premises (collectively, the "**Alterations**") without first procuring the prior written consent of Landlord to such Alterations, which consent shall be requested by Tenant not less than twenty (20) days prior to the commencement thereof, and which consent shall not be unreasonably withheld, conditioned or delayed by Landlord, provided it shall be deemed reasonable for Landlord to withhold its consent to any Alteration which adversely affects the structural portions or the systems or equipment of the Building or is visible from the exterior of the Building. Notwithstanding the foregoing, Tenant shall be permitted to make Alterations following ten (10) business days' notice to Landlord, but without Landlord's prior consent, to the extent that such Alterations (i) do not affect the Building Systems or equipment, (ii) are not visible from the exterior of the Building, and (iii) cost less than $150,000.00 for a particular job of work ("**Permitted Alterations**"). The construction of and ultimate surrender obligations relating to the initial improvements to the Premises shall be governed by the terms of the Tenant Work Letter and not the terms of this Article 8.

8.2 **Manner of Construction**. Landlord may impose, as a condition of its consent to any and all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its reasonable discretion may deem desirable, including, but not limited to, the requirement that upon Landlord's request, Tenant shall, at Tenant's expense, remove such Alterations upon the expiration or any early termination of the Lease Term. Tenant shall construct such Alterations and perform such repairs in a good and workmanlike manner, in conformance with any and all applicable federal, state, county or municipal laws, rules and regulations and pursuant to a valid building permit, issued by the city in which the Building is located (or other applicable governmental authority). Tenant shall not use (and upon notice from Landlord shall cease using) contractors, services, workmen, labor, materials or equipment that, in Landlord's reasonable judgment, would disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the Building or the Common Areas. Upon completion of any Alterations (or repairs), Tenant shall deliver to Landlord final lien waivers from all contractors, subcontractors and materialmen who performed such work. In addition to Tenant's obligations under Article 9 of this Lease, upon completion of any Alterations, Tenant shall deliver to the Project construction manager a reproducible copy of the "**as built**" drawings of the Alterations as well as all permits, approvals and other documents issued by any governmental agency in connection with the Alterations.

8.3 **Payment for Improvements**. If Tenant orders any work directly from Landlord, Tenant shall pay to Landlord an amount equal to four percent (4%) of the hard costs of such work to compensate Landlord for all overhead, general conditions, fees and other costs and expenses arising from Landlord's involvement with such work. If Tenant does not order any work directly from Landlord, Tenant shall reimburse Landlord for Landlord's reasonable, actual, out-of-pocket costs and expenses actually incurred in connection with Landlord's review of such work, not to exceed two percent (2%) of the hard costs of such work. Notwithstanding the foregoing, this Section 8.3 shall not apply to Permitted Alterations.

8.4 **Construction Insurance**. In addition to the requirements of Article 10 of this Lease, in the event that Tenant makes any Alterations, prior to the commencement of such Alterations, Tenant shall provide Landlord with evidence that Tenant carries "**Builder's All Risk**" insurance in an amount approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may reasonably require, it being understood and agreed that all of such Alterations shall be insured by Tenant pursuant to Article 10 of this Lease immediately upon completion thereof. In addition, Tenant's contractors and subcontractors shall be required to carry (i) Commercial General Liability Insurance in an amount approved by Landlord, with Landlord, and, at Landlord's option, Landlord's property manager and project manager, as additional insureds in an amount approved by Landlord, and otherwise in accordance with the requirements of Article 10 of this Lease, and (ii) workers compensation insurance with a waiver of subrogation in favor of Landlord. Landlord may, in its discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of such Alterations and naming Landlord as a co-obligee, but only if the aggregate cost of such work is expected to exceed $150,000.00.

8.5 **Landlord's Property**. All Alterations, improvements, fixtures, equipment and/or appurtenances (excluding Tenant's Property (defined below) or other personal property, facilities, fixtures or equipment paid for by Tenant and placed in the Premises, or alterations paid for by Tenant which Landlord has elected to require Tenant to remove at the expiration or earlier termination of the Term) which may be installed or placed in or about the Premises, from time to time, shall be at the sole cost of Tenant and shall be and become the property of Landlord and remain in place at the Premises following the expiration or earlier termination of this Lease. Notwithstanding the foregoing, Landlord may, by written notice to Tenant at the time Landlord provides consent (if any) to particular Alterations, require Tenant, at Tenant's expense, to remove any Alterations and/or improvements and/or systems and equipment within the Premises and to repair any damage to the Premises and Building caused by such removal and return the affected portion of the Premises to the condition existing prior to such Alterations, normal wear and tear excepted. If Tenant fails to complete such removal and/or to repair any damage caused by the removal of any Alterations and/or improvements and/or systems and equipment in the Premises and return the affected portion of the Premises to the condition existing prior to such Alterations, Landlord may do so and may charge the cost thereof to Tenant. Tenant hereby protects, defends, indemnifies and holds Landlord harmless from any liability, cost, obligation, expense or claim of lien in any manner relating to the installation, placement, removal or financing of any such Alterations, improvements, fixtures and/or equipment in, on or about the Premises, which obligations of Tenant shall survive the expiration or earlier termination of this Lease. Without limiting the foregoing, the items set forth in **Exhibit G** attached hereto (the "**Tenant's Property**") shall at all times be and remain Tenant's property. **Exhibit G** may be updated from time to time by agreement of the parties to reflect items which are Tenant's property pursuant to the terms hereof, provided that Tenant's failure to so update **Exhibit G** shall not affect whether an item constitutes Tenant's property hereunder. Tenant may remove the Tenant's Property from the Premises at any time, provided that Tenant repairs all damage caused by such removal.

8.6 **Labor Harmony**. Tenant shall not use (and upon notice from Landlord shall cease using) contractors, subcontractors, services, workmen, labor, materials or equipment that, in Landlord's reasonable judgment, would disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the Project, Building or the Common Areas and/or that otherwise results in picketing or other labor disturbances at the Project and/or on property adjacent thereto.

9. COVENANT AGAINST LIENS. Tenant shall keep the Project and Premises free from any liens or encumbrances arising out of the work performed, materials furnished or obligations incurred by or on behalf of Tenant, and shall protect, defend, indemnify and hold Landlord harmless from and against any claims, liabilities, judgments or costs (including, without limitation, reasonable attorneys' fees and costs) arising out of same or in connection therewith. Tenant shall give Landlord notice at least twenty (20) days prior to the commencement of any such work on the Premises (or such additional time as may be necessary under Applicable Laws) to afford Landlord the opportunity of posting and recording appropriate notices of non-responsibility (to the extent applicable pursuant to then Applicable Laws). Tenant shall remove any such lien or encumbrance by bond or otherwise within ten (10) business days after notice by Landlord, and if Tenant shall fail to do so, Landlord may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof.

10. INSURANCE

10.1 **Indemnification and Waiver**. Tenant hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause whatsoever and agrees that Landlord, its partners, subpartners and their respective officers, agents, servants, employees, lenders, any property manager and independent contractors (collectively, "**Landlord Parties**") shall not be liable for, and are hereby released from any responsibility for, any damage either to person or property or resulting from the loss of use thereof, which damage is sustained by Tenant or by other persons claiming through Tenant. Except to the extent arising from the gross negligence or willful misconduct of Landlord, Tenant shall indemnify, defend, protect, and hold harmless the Landlord Parties from any and all claims, loss, cost, damage, injury, expense and liability (including without limitation court costs and reasonable attorneys' fees) incurred in connection with or arising from any cause in, on or about the Premises, any acts, omissions or negligence of Tenant or of any person claiming by, through or under Tenant, or of the contractors, agents, servants, employees, invitees, guests or licensees of Tenant or any such person, in, on or about the Project or any breach of the terms of this Lease, either prior to, during, or after the expiration of the Lease Term. Should Landlord be named as a defendant in any suit brought against Tenant in connection with or arising out of Tenant's occupancy of the Premises, Tenant shall pay to Landlord its costs and expenses incurred in such suit, including without limitation, its actual professional fees such as reasonable appraisers', accountants' and attorneys' fees. Subject to Tenant's indemnification obligations set forth above and the waiver of subrogation provided below, Landlord shall indemnify, defend, protect, and hold harmless Tenant from any and all claims, loss, cost, damage, injury, expense, and liability (including, without limitation, court costs and reasonable attorneys' fees) to the extent arising from the gross negligence or willful misconduct of Landlord or the Landlord Parties in, on or about the Project either prior to or during the Lease Term, provided that the terms of the foregoing indemnity shall not apply to the negligence or willful misconduct of Tenant. Notwithstanding anything to the contrary set forth in this Lease, either party's agreement to defend and indemnify the other party as set forth in this Section 10.1 shall be ineffective to the extent the matters for which such party agreed to defend and indemnify the other party are covered by insurance required to be carried by the non-indemnifying party pursuant to this Lease. Further, Tenant's agreement to indemnify Landlord and Landlord's agreement to indemnify Tenant, each pursuant to this Section 10.1 is not intended and shall not relieve any insurance carrier of its obligations under policies required to be carried pursuant to the provisions of this Lease, to the extent such policies cover the matters subject to the parties' respective indemnification obligations; nor shall they supersede any inconsistent agreement of the parties set forth in any other provision of this Lease. The provisions of this Section 10.1 shall survive the expiration or sooner termination of this Lease with respect to any claims or liability arising in connection with any event occurring prior to such expiration or termination.

10.2 **Landlord's Property Insurance**. Landlord shall insure the Building during the Lease Term against loss or damage under a "special risk" property insurance policy. Such coverage shall be in such coverage and deductible amounts, from such companies, and on such other terms and conditions, as Landlord may from time to time reasonably determine based on insurance typical of landlords of First Class Life Sciences Projects. Additionally, at the option of Landlord (but subject to the immediately preceding sentence), such insurance coverage may include the risks of earthquakes and/or flood damage and additional hazards, where commercially reasonably obtainable, a rental loss endorsement and one or more loss payee endorsements in favor of the holders of any mortgages or deeds of trust encumbering the interest of Landlord in the Building or the ground or underlying lessors of the Building, or any portion thereof. Tenant shall, at Tenant's expense, comply with all insurance company requirements pertaining to the use of the Premises. If Tenant's conduct or use of the Premises causes any increase in the premium for such insurance policies then Tenant shall reimburse Landlord for any such increase. Tenant, at Tenant's expense, shall comply with all rules, orders, regulations or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and with any similar body. Tenant shall also provide Landlord with such information regarding the use of the Premises. In the event of a claim, Tenant will cooperate with Landlord regarding Landlord's insurance.

10.3 **Tenant's Insurance**. Tenant shall maintain the following coverages in the following amounts commencing on the Possession Date (or the date of any early access pursuant to Section 6 of the Tenant Work Letter, if applicable).

10.3.1 Commercial General Liability Insurance on an occurrence form covering the insured against claims of bodily injury, personal injury and property damage arising out of Tenant's operations, including contractual coverage and personal injury. Tenant shall carry products and completed operations coverage whether included in the Commercial General Liability or on a standalone policy (which the parties agree shall not be required to be purchased until Tenant has a completed product or operation), for limits of liability of not less than:

Bodily Injury and Property Damage Liability including Personal Injury	$3,000,000 each occurrence $5,000,000 annual aggregate
Personal Injury Liability	$3,000,000 each occurrence $5,000,000 annual aggregate

Any combination of primary and excess/umbrella policies may be utilized in order to meet the limit requirements above.

10.3.2 Property Insurance covering (i) all office furniture, business and trade fixtures, office equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's property on the Premises, (ii) the "**Tenant Improvements,**" as that term is defined in the Tenant Work Letter, and any other improvements which exist in the Premises as of the Lease Commencement Date (excluding the Base Building) (the "**Original Improvements**"), and (iii) all other improvements, alterations and additions to the Premises. Such insurance shall be written on a "**special risks**" of physical loss, for the replacement cost value of the covered items and shall include all perils included within the "special risk" coverage.

10.3.3 Worker's Compensation and Employer's Liability or other similar insurance pursuant to all applicable state and local statutes and regulations. The policy shall include a waiver of subrogation in favor of Landlord, its employees, Lenders and any property manager or partners.

10.4 **Form of Policies**. The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Property, Commercial General Liability, and Umbrella insurance policies shall (i) name Landlord, its subsidiaries and affiliates, its property manager (if any) and any other party the Landlord so specifies, as an additional insured or loss payee, as applicable, including Landlord's managing agent, if any; (ii) be issued by an insurance company having a rating of not less than A:VIII in Best's Insurance Guide or which is otherwise acceptable to Landlord and authorized to do business in the State of California; (iv) be primary insurance such that any insurance carried by Landlord is excess and is non-contributing with the Property, Commercial General Liability, and Umbrella insurance required of Tenant; and (v) provide that said insurance shall not be canceled unless thirty (30) days' prior written notice has been given to Tenant (who shall then promptly provide notice thereof to Landlord and any mortgagee of Landlord) (unless such cancellation is the result of non-payment of premiums). Tenant shall deliver said certificates of insurance to Landlord on or before the Lease Commencement Date and at least five (5) days before the expiration dates thereof. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificate, Landlord may, at its option, procure such policies for the account of Tenant, and the cost thereof shall be paid to Landlord within five (5) days after delivery to Tenant of bills therefor.

10.5 **Subrogation**. Landlord and Tenant hereby agree to look solely to, and seek recovery only from, their respective insurance carriers in the event of a property or business interruption loss to the extent that such coverage is agreed to be provided hereunder. The parties each hereby waive all rights and claims against each other for such losses, and waive all rights of subrogation of their respective insurers, provided such waiver of subrogation shall not affect the right to the insured to recover thereunder. The parties agree that their respective insurance policies do now, or shall, contain the waiver of subrogation.

10.6 **Additional Insurance Obligations**. From and after the first five (5) years of the Lease Term, Tenant shall carry and maintain during the entire Lease Term, at Tenant's sole cost and expense, increased amounts of the insurance required to be carried by Tenant pursuant to this Article 10 (provided that Tenant shall not be required to carry any other types of insurance coverage), as may be reasonably requested by Landlord or Landlord's lender, but in no event in excess of the amounts of insurance then being required by landlords of buildings comparable to and in the vicinity of the Building.

11. DAMAGE AND DESTRUCTION

11.1 **Repair of Damage**. Tenant shall promptly notify Landlord of any damage to the Premises resulting from fire or any other casualty ("**Casualty**"). If the Premises or any Common Areas or other portions of the Project serving or providing access to the Premises shall be damaged by Casualty, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of this Article 11, restore the Base Building and such Common Areas and portions of the Project. Such restoration shall be to substantially the same condition of the Base Building and the Common Areas and Project prior to the Casualty, except for modifications required by zoning and building codes and other laws or by the holder of a mortgage on the Building or Project or any other modifications to the Common Areas deemed desirable by Landlord, which are consistent with the character of the Project, provided that access to the Premises shall not be materially impaired. Subject to the terms of Section 11.2, below, Tenant shall, at its sole cost and expense, repair any injury or damage to the Tenant Improvements and the Original Improvements installed in the Premises and shall return such Tenant Improvements and Original Improvements to their original condition. Whether or not Landlord delivers a "Landlord Repair Notice," as that term is defined in Section 11.2 below, prior to the commencement of construction, Tenant shall submit to Landlord, for Landlord's review and approval, all plans, specifications and working drawings relating thereto, and Landlord shall select the contractors to perform such improvement work. Tenant shall in addition cooperate with requests for information regarding any repairs from Landlord's insurer(s) by providing the requested information within ten (10) days after Tenant receives the request. Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof; provided however, that if such Casualty shall have damaged the Premises or Common Areas or portions of the Project necessary to Tenant's occupancy, and the Premises are not occupied by Tenant as a result thereof, then during the time and to the extent the Premises are unfit for occupancy, the Rent shall be abated in proportion to the ratio that the amount of rentable square feet of the Premises which is unfit for occupancy for the purposes permitted under this Lease bears to the total rentable square feet of the Premises. In the event that Landlord shall not deliver the Landlord Repair Notice, Tenant's right to rent abatement pursuant to the preceding sentence shall terminate as of the date which is reasonably determined by Landlord to be the date Tenant should have completed repairs to the Premises assuming Tenant used reasonable due diligence in connection therewith. Notwithstanding any contrary provision of this Article 11, the parties hereby agree as follows: (i) the closure of the Project, the Building, the Common Areas, or any part thereof to protect public health shall not constitute a Casualty for purposes of this Lease, (ii) Casualty covered by this Article 11 shall require that the physical or structural integrity of the Premises, the Project, the Building, or the Common Areas is degraded as a direct result of such occurrence, and (iii) a Casualty under this Article 11 shall not be deemed to occur merely because Tenant is unable to productively use the Premises in the event that the physical and structural integrity of the Premises is undamaged.

11.2 **Landlord's Option to Repair**. Upon the occurrence of any damage to the Premises, Landlord may, at Landlord's option, deliver a notice (the "**Landlord Repair Notice**") to Tenant, and upon receipt of a Landlord Repair Notice Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under Section 10.3 of this Lease, and Landlord shall repair any injury or damage to the Tenant Improvements and the Original Improvements installed in the Premises and shall return such Tenant Improvements and Original Improvements to their original condition; provided that if the cost of such repair by Landlord exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier (including by taking into account any deductible or self-insured retention), as assigned by Tenant, the cost of such repairs shall be paid by Tenant to Landlord prior to Landlord's commencement of repair of the damage. Notwithstanding the terms of Section 11.1 of this Lease, Landlord may elect not to rebuild and/or restore the Premises, Building and/or Project, and instead terminate this Lease, by notifying Tenant in writing of such termination within sixty (60) days after the date of discovery of the damage, such notice to include a termination date giving Tenant sixty (60) days to vacate the Premises, but Landlord may so elect only if the Building or Project shall be damaged by Casualty, whether or not the Premises are affected, and one or more of the following conditions is present: (i) in Landlord's reasonable judgment, repairs cannot reasonably be completed within one hundred eighty (180) days after the date of discovery of the damage (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Building or Project or ground lessor with respect to the Building or Project shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground lease, as the case may be; (iii) the damage is not fully covered by Landlord's insurance policies (unless such shortfall is a result of Landlord's failure to maintain the insurance that Landlord is required to maintain pursuant to Section 10.2 above); (iv) material damage occurs during the last twelve (12) months of the Lease Term; or (v) any owner of any other portion of the Project, other than Landlord or an affiliate of Landlord, does not intend to repair the damage to such portion of the Project; provided, however, that if Landlord does not elect to terminate this Lease pursuant to Landlord's termination right as provided above, and the repairs cannot, in the reasonable opinion of Landlord, be completed within one hundred eighty (180) days after being commenced (or are not in fact completed within two hundred seventy (270) days after the date of discovery of the damage), Tenant may elect, no earlier than sixty (60) days after the date of the damage and not later than ninety (90) days after the date of such damage, or within thirty (30) days after such repairs are not timely completed, to terminate this Lease by written notice to Landlord effective as of the date specified in the notice, which date shall not be less than thirty (30) days nor more than sixty (60) days after the date such notice is given by Tenant. Notwithstanding the provisions of this Section 11.2, Tenant shall have the right to terminate this Lease under this Section 11.2 only if each of the following conditions is satisfied: (a) the damage to the Project by Casualty was not caused by the gross negligence or intentional misconduct of Tenant; (b) no Event of Default has occurred and is continuing; (c) as a result of the damage, Tenant cannot reasonably conduct business from the Premises; and, (d) as a result of the damage to the Project, Tenant does not occupy or use the damaged portion of the Premises for the Permitted Use.

11.3 **Waiver of Statutory Provisions**. The provisions of this Lease, including this Article 11, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, the Building or the Project, and any statute or regulation of the State of California, including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises, the Building or the Project.

12. NONWAIVER. No provision of this Lease shall be deemed waived by either party hereto unless expressly waived in a writing signed thereby. The waiver by either party hereto of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of same or any other term, covenant or condition herein contained. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No acceptance of a lesser amount than the Rent herein stipulated shall be deemed a waiver of Landlord's right to receive the full amount due, nor shall any endorsement or statement on any check or payment or any letter accompanying such check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the full amount due. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder, or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit, or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

13. CONDEMNATION. If the whole or any part of the Premises, Building or Project shall be taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or if any adjacent property or street shall be so taken or condemned, or reconfigured or vacated by such authority in such manner as to require the use, reconstruction or remodeling of any part of the Premises, Building or Project, or if Landlord shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation, Landlord shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority. If more than twenty-five percent (25%) of the rentable square feet of the Premises is taken, or if access to the Premises is substantially impaired, in each case for a period in excess of one hundred twenty (120) days, Tenant shall have the option to terminate this Lease effective on not less than ninety (90) days prior written notice or, if sooner as of the date possession is required to be surrendered to the authority. Tenant shall not because of such taking assert any claim against Landlord or the authority for any compensation because of such taking and Landlord shall be entitled to the entire award or payment in connection therewith, except that Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease Term pursuant to the terms of this Lease, and for moving expenses, so long as such claims do not diminish the award available to Landlord, its ground lessor with respect to the Building or Project or its mortgagee, and such claim is payable separately to Tenant. All Rent shall be apportioned as of the date of such termination. If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Rent shall be proportionately abated. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of The California Code of Civil Procedure. Notwithstanding anything to the contrary contained in this Article 13, in the event of a temporary taking of all or any portion of the Premises for a period of one hundred and eighty (180) days or less, then this Lease shall not terminate but the Base Rent and 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. Landlord shall be entitled to receive the entire award made in connection with any such temporary taking. Notwithstanding any contrary provision of this Lease, the following governmental actions shall not constitute a taking or condemnation, either permanent or temporary: (i) an action that requires Tenant's business or the Building or Project to close during the Lease Term, and (ii) an action taken for the purpose of protecting public safety (e.g., to protect against acts of war, the spread of communicable diseases, or an infestation), and no such governmental actions shall entitle Tenant to any compensation from Landlord or any authority, or Rent abatement or any other remedy under this Lease.

14. ASSIGNMENT AND SUBLETTING

14.1 **Transfers**. Except in connection with a Permitted Transfer (defined below), Tenant shall not, without the prior written consent of Landlord, assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment, or other transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or enter into any license or concession agreements or otherwise permit the occupancy or use of the Premises or any part thereof by any persons other than Tenant and its employees and contractors (all of the foregoing are hereinafter sometimes referred to collectively as "**Transfers**" and any person to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a "**Transferee**"). If Tenant desires Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the "**Transfer Notice**") shall include (i) the proposed effective date of the Transfer, which shall not be less than thirty (30) days nor more than one hundred eighty (180) days after the date of delivery of the Transfer Notice, (ii) a description of the portion of the Premises to be transferred (the "**Subject Space**"), (iii) all of the terms of the proposed Transfer and the consideration therefor, including calculation of the "**Transfer Premium**", as that term is defined in Section 14.3 below, in connection with such Transfer, the name and address of the proposed Transferee, and a copy of all existing executed and/or proposed documentation pertaining to the proposed Transfer, and (iv) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, business credit and personal references and history of the proposed Transferee and any other information reasonably required by Landlord which will enable Landlord to determine the financial responsibility, character, and reputation of the proposed Transferee, nature of such Transferee's business and proposed use of the Subject Space. Any Transfer made without Landlord's prior written consent shall, at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute an Event of Default by Tenant under this Lease. Whether or not Landlord consents to any proposed Transfer, Tenant shall pay Landlord's reasonable review and processing fees, as well as any reasonable professional fees (including, without limitation, attorneys', accountants', architects', engineers' and consultants' fees) incurred by Landlord, within thirty (30) days after written request by Landlord, provided that such fees shall not exceed Two Thousand Five Hundred and 00/100 Dollars ($2,500.00) for any such Transfer in the ordinary course of business. For purposes of this Lease, "in the ordinary course of business" shall include, without limitation, the review of documents on no more than three (3) occasions in connection with any particular Transfer. Notwithstanding anything contained in this Lease to the contrary, Tenant shall not: (a) make a Transfer to an entity in which, under the Internal Revenue Code of 1986, as amended (the "**Code**"), any entity that directly or indirectly owns Landlord and is qualified as a real estate investment trust (a "**REIT Owner**") owns, directly, indirectly or by applying constructive ownership rules set forth in Section 856(d)(5) of the Code, a ten percent (10%) or greater interest; or (ii) make any Transfer or other action under Section 14.8, below, in a manner that would cause any portion of the amounts received by Landlord pursuant hereto to fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Code.

14.2 **Landlord's Consent**. Landlord shall not unreasonably withhold, condition or delay its consent to any proposed Transfer of the Subject Space by assignment or sublease to the Transferee on the terms specified in the Transfer Notice. 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:

14.2.1 The Transferee is of a character or reputation or engaged in a business which is not consistent with the quality of the Building or the Project (as reasonably determined by Landlord);

14.2.2 The Transferee is either a governmental agency or instrumentality thereof;

14.2.3 In connection with an assignment of Tenant's entire interest under this Lease, the Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the assignment of this Lease on the date consent is requested; or

14.2.4 Such Transfer would cause a REIT Owner to be in violation of applicable Code requirements for it to maintain status as a "real estate investment trust" under Sections 856 through 860 of the Code or would violate any provision of this Section 14.1; or

14.2.5 The proposed Transfer would cause a violation of another lease for space in the Project, or would give an occupant of the Project a right to cancel its lease.

If Landlord consents to any Transfer pursuant to the terms of this Section 14.2 (and does not exercise any recapture rights Landlord may have under Section 14.4 of this Lease), Tenant may within six (6) months after Landlord's consent, but not later than the expiration of said six-month period, enter into such Transfer of the Premises or portion thereof, upon substantially the same terms and conditions as are set forth in the Transfer Notice furnished by Tenant to Landlord pursuant to Section 14.1 of this Lease, provided that if there are any changes in the terms and conditions from those specified in the Transfer Notice such that Landlord would initially have been entitled to refuse its consent to such Transfer under this Section 14.2, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 14 (including Landlord's right of recapture, if any, under Section 14.4 of this Lease). Notwithstanding anything to the contrary in this Lease, if Tenant or any proposed Transferee claims that Landlord has unreasonably withheld or delayed its consent under Section 14.2 or otherwise has breached or acted unreasonably under this Article 14, their sole remedies shall be a suit for contract damages (other than damages for injury to, or interference with, Tenant's business including, without limitation, loss of profits, however occurring) or declaratory judgment and an injunction for the relief sought, and Tenant hereby waives all other remedies, including, without limitation, any right at law or equity to terminate this Lease, on its own behalf and, to the extent permitted under all Applicable Laws, on behalf of the proposed Transferee.

14.3 **Transfer Premium**. If Landlord consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of any "**Transfer Premium,**" as that term is defined in this Section 14.3, received by Tenant from such Transferee. "**Transfer Premium**" shall mean all rent, additional rent or other consideration payable by such Transferee in connection with the Transfer in excess of the Rent and Additional Rent payable by Tenant under this Lease during the term of the Transfer on a per rentable square foot basis if less than all of the Premises is transferred, and after deducting the expenses incurred by Tenant for (i) any changes, alterations, or improvements to the Premises in connection with the Transfer, (ii) any free base rent or other economic concessions reasonably provided to the Transferee, (iii) any reasonable legal fees and brokerage commissions incurred by Tenant in connection with the Transfer, and (iv) any amounts payable to Landlord under Section 14.1 above (collectively, the "**Transfer Costs**"). The "**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. The determination of the amount of Landlord's applicable share of the Transfer Premium shall be made on a monthly basis as rent or other consideration is received by Tenant under the Transfer. No Transfer Premium shall be payable in connection with any Permitted Transfer.

14.4 **Landlord's Option as to Subject Space**. Notwithstanding anything to the contrary contained in this Article 14 (except that Landlord shall have no recapture rights for any Permitted Transfer), in the event Tenant contemplates a Transfer which, together with all prior Transfers then remaining in effect, would cause fifty percent (50%) or more of the Premises to be Transferred for more than fifty percent (50%) of the then remaining Lease Term (taking into account any extension of the Lease Term which has irrevocably exercised by Tenant), Tenant shall give Landlord notice (the "**Intention to Transfer Notice**") of such contemplated Transfer (whether or not the contemplated Transferee or the terms of such contemplated Transfer have been determined). The Intention to Transfer Notice shall specify the portion of and amount of rentable square feet of the Premises which Tenant intends to Transfer (the "**Contemplated Transfer Space**"), the contemplated date of commencement of the Contemplated Transfer (the "**Contemplated Effective Date**"), and the contemplated length of the term of such contemplated Transfer, and shall specify that such Intention to Transfer Notice is delivered to Landlord pursuant to this Section 14.4 in order to allow Landlord to elect to recapture the Contemplated Transfer Space. Thereafter, Landlord shall have the option, by giving written notice to Tenant within twenty (20) days after receipt of any Intention to Transfer Notice, to recapture the Contemplated Transfer Space (except that Tenant may, within five (5) days of Tenant's receipt of Landlord's election to recapture, rescind the Intention to Transfer Notice by written notice to Landlord, in which case the Intention to Transfer Notice shall be deemed void ab initio and the Lease shall continue in full force and effect). Such recapture shall cancel and terminate this Lease with respect to such Contemplated Transfer Space as of the Contemplated Effective Date. In the event of a recapture by Landlord, if this Lease shall be canceled with respect to less than the entire Premises, the Rent reserved herein shall be prorated on the basis of the number of rentable square feet retained by Tenant in proportion to the number of rentable square feet contained in the Premises, and this Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of the same. If Landlord declines, or fails to elect in a timely manner, to recapture such Contemplated Transfer Space under this Section 14.4, then, subject to the other terms of this Article 14, for a period of nine (9) months (the "**Nine Month Period**") commencing on the last day of such twenty (20) day period, Landlord shall not have any right to recapture the Contemplated Transfer Space with respect to any Transfer made during the Nine Month Period, provided that any such Transfer is substantially on the terms set forth in the Intention to Transfer Notice, and provided further that any such Transfer shall be subject to the remaining terms of this Article 14. If such a Transfer is not so consummated within the Nine Month Period for reasons other than delays in Landlord's consent to same (or if a Transfer is so consummated, then upon the expiration of the term of any Transfer of such Contemplated Transfer Space consummated within such Nine Month Period), Tenant shall again be required to submit a new Intention to Transfer Notice to Landlord with respect any contemplated Transfer (other than a Permitted Transfer), as provided above in this Section 14.4.

14.5 **Effect of Transfer**. If Landlord consents to a Transfer, (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a Transferee, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord, (iv) Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant, or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium Tenant has derived and shall derive from such Transfer, and (v) no Transfer relating to this Lease or agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of the Lease from any liability under this Lease, including, without limitation, in connection with the Subject Space. Landlord or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to any Transfer (no more than once in any twelve (12) month period), and shall have the right to make copies thereof. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency, and if understated by more than two percent (2%), Tenant shall pay Landlord's costs of such audit.

14.6 **Additional Transfers**. For purposes of this Lease, subject to Section 14.8 below, the term "**Transfer**" shall also include (i) if Tenant is a partnership, the withdrawal or change, voluntary, involuntary or by operation of law, of fifty percent (50%) or more of the partners, or transfer of fifty percent (50%) or more of partnership interests, within a twelve (12)-month period, or the dissolution of the partnership without immediate reconstitution thereof, and (ii) if Tenant is a closely held corporation (*i.e.*, whose stock is not publicly held and not traded through an exchange or over the counter), (A) the dissolution, merger, consolidation or other reorganization of Tenant or (B) the sale or other transfer of an aggregate of fifty percent (50%) or more of the voting shares of Tenant (other than to immediate family members by reason of gift or death), within a twelve (12)-month period, or (C) the sale, mortgage, hypothecation or pledge of an aggregate of fifty percent (50%) or more of the value of the unencumbered assets of Tenant within a twelve (12)-month period.

14.7 **Occurrence of Default**. Any Transfer hereunder shall be subordinate and subject to the provisions of this Lease, and if this Lease shall be terminated during the term of any Transfer, Landlord shall have the right to: (i) treat such Transfer as cancelled and repossess the Subject Space by any lawful means, or (ii) require that such Transferee attorn to and recognize Landlord as its landlord under any such Transfer. If an Event of Default by Tenant has occurred and is continuing, Landlord is hereby irrevocably authorized, as Tenant's agent, to direct any Transferee to make all payments under or in connection with the Transfer directly to Landlord (which Landlord shall apply towards Tenant's obligations under this Lease) until such Event of Default is cured. Such Transferee shall rely on any representation by Landlord that Tenant is in default hereunder, without any need for confirmation thereof by Tenant. Upon any assignment, the assignee shall assume in writing all obligations and covenants of Tenant thereafter to be performed or observed under this Lease. No collection or acceptance of rent by Landlord from any Transferee shall be deemed a waiver of any provision of this Article 14 or the approval of any Transferee or a release of Tenant from any obligation under this Lease, whether theretofore or thereafter accruing. In no event shall Landlord's enforcement of any provision of this Lease against any Transferee be deemed a waiver of Landlord's right to enforce any term of this Lease against Tenant or any other person. If Tenant's obligations hereunder have been guaranteed, Landlord's consent to any Transfer shall not be effective unless the guarantor also consents to such Transfer.

14.8 **Non-Transfers**. Notwithstanding anything to the contrary contained in this Article 14, (i) an assignment or subletting of all or a portion of the Premises to an affiliate of Tenant (an entity which is controlled by, controls, or is under common control with, Tenant), (ii) an assignment of the Premises to an entity which acquires all or substantially all of the assets or interests (partnership, stock, membership or other) of Tenant, (iii) an assignment of the Premises to an entity which is the resulting entity of a merger or consolidation of Tenant, or (iv) a sale of interests (partnership, stock, membership or other) in Tenant in connection with either a bona-fide financing for the benefit of the Tenant or an initial public offering of Tenant's stock on a nationally-recognized stock exchange (collectively, a "**Permitted Transferee**" and such transfer shall be a "**Permitted Transfer**"), shall not be deemed a Transfer under this Article 14, provided that (A) following execution Tenant notifies Landlord of any such assignment or sublease and promptly supplies Landlord with any documents or information reasonably requested by Landlord regarding such assignment or sublease or such affiliate, (B) such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease, (C) such Permitted Transferee shall be of a character and reputation consistent with the quality of the Building, and (D) such Permitted Transferee shall have a tangible net worth (not including goodwill as an asset) computed in accordance with generally accepted accounting principles ("**Net Worth**") at least equal to the Net Worth of Tenant on the day immediately preceding the effective date of such assignment or sublease. An assignee of Tenant's entire interest that is also a Permitted Transferee may also be known as a "**Permitted Assignee**". "**Control**," as used in this Section 14.8, shall mean the ownership, directly or indirectly, of at least fifty- one percent (51%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of at least fifty-one percent (51%) of the voting interest in, any person or entity. No such permitted assignment or subletting shall serve to release Tenant from any of its obligations under this Lease.

15. SURRENDER OF PREMISES; OWNERSHIP AND REMOVAL OF TRADE FIXTURES

15.1 **Surrender of Premises**. No act or thing done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in writing by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been properly terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises or terminate any or all such sublessees or subtenancies.

15.2 **Removal of Tenant Personal Property by Tenant**. Upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this Article 15, quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear and repairs which are specifically made the responsibility of Landlord hereunder excepted. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, and such items of furniture, equipment, free-standing cabinet work, movable partitions and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises, and such similar articles of any other persons claiming under Tenant, as Landlord may, in its sole discretion, require to be removed, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal.

15.3 **Environmental Assessment**. In connection with its surrender of the Premises, Tenant shall submit to Landlord, at least one hundred twenty (120) days prior to the expiration date of this Lease (or in the event of an earlier termination of this Lease, as soon as reasonably possible following such termination), an environmental Assessment of the Premises by a competent and experienced environmental engineer or engineering firm reasonably satisfactory to Landlord (pursuant to a contract approved by Landlord and providing that Landlord can rely on the Environmental Assessment), which (i) evidences that the Premises are in a clean and safe condition and free and clear of any Hazardous Materials for which Tenant has responsibility under this Lease; and (ii) includes a review of the Premises by an environmental consultant for asbestos, mold, fungus, spores, and other moisture conditions, on-site chemical use, and lead-based paint. If such Environmental Assessment reveals that remediation or Clean-up is required under any Environmental Laws in connection with any Hazardous Materials for which Tenant has responsibility under this Lease, Tenant shall submit a remediation plan prepared by a recognized environmental consultant and shall be responsible for all costs of remediation and Clean-up, as more particularly provided in Section 5.3, above.

15.4 **Condition of the Building and Premises Upon Surrender**. In addition to the above requirements of this Article 15, upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, surrender the Premises and Building such that the same are in compliance with all applicable laws and with Tenant having complied with all of Tenant's obligations under this Lease, including those relating to improvement, repair, maintenance, compliance with law, testing and other related obligations of Tenant set forth in Article 7 of this Lease. In the event that the Building and Premises shall be surrendered in a condition which does not comply with the terms of this Section 15.4, because Tenant failed to comply with its obligations set forth in Lease, then following thirty (30) days' notice to Tenant, during which thirty (30) day period Tenant shall have the right to cure such noncompliance, Landlord shall be entitled to expend all reasonable costs in order to cause the same to comply with the required condition upon surrender and Tenant shall immediately reimburse Landlord for all such costs upon notice and Tenant shall be deemed during the period that Tenant or Landlord, as the case may be, perform obligations relating to any Alterations or improvements which are subject to removal pursuant to the terms of this Lease, to be in holdover under Article 16 of this Lease.

16. HOLDING OVER. If Tenant holds over after the expiration of the Lease Term or earlier termination thereof, with the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term. If Tenant holds over after the expiration of the Lease Term of earlier termination thereof, without the express or implied consent of Landlord, such tenancy shall be deemed to be a tenancy by sufferance only, and shall not constitute a renewal hereof or an extension for any further term. In either case, Rent shall be payable at a monthly rate equal to (i) one hundred twenty-five percent (125%) of the Rent applicable during the last rental period of the Lease Term under this Lease for the first two (2) months following the expiration or earlier termination of this Lease, and (ii) one hundred fifty percent (150%) of the Rent applicable during the last rental period of the Lease Term under this Lease thereafter. Such month-to-month tenancy or tenancy by sufferance, as the case may be, shall be subject to every other applicable term, covenant and agreement contained herein. Nothing contained in this Article 16 shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Article 16 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises within thirty (30) days following the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender and any lost profits to Landlord resulting therefrom.

17. ESTOPPEL CERTIFICATES. Within ten (10) business days following a request in writing by Landlord, Tenant shall execute, acknowledge and deliver to Landlord an estoppel certificate, which, as submitted by Landlord, shall be substantially in the form of **Exhibit D**, attached hereto (or such other form as may be required by any prospective mortgagee or purchaser of the Project, or any portion thereof), indicating therein any exceptions thereto that may exist at that time, and shall also contain any other information reasonably requested by Landlord or Landlord's mortgagee or prospective mortgagee. Any such certificate may be relied upon by any prospective mortgagee or purchaser of all or any portion of the Project. Tenant shall execute and deliver whatever other instruments may be reasonably required for such purposes. At any time during the Lease Term (but not more than once in any calendar year unless in connection with the sale or proposed sale, or the financing/refinancing, of the Project or any portion thereof), Landlord may require Tenant to provide Landlord with a current financial statement and financial statements of the two (2) years prior to the current financial statement year. Such statements shall be prepared in accordance with generally accepted accounting principles and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant. Failure of Tenant to timely execute, acknowledge and deliver such estoppel certificate or other instruments shall constitute an acceptance of the Premises and an acknowledgment by Tenant that statements included in the estoppel certificate are true and correct, without exception.

18. SUBORDINATION. Landlord hereby represents and warrants to Tenant that the Project is not currently subject to any ground lease, or to the lien of any mortgage or deed of trust as of the date of this Lease. This Lease shall be subject and subordinate to all present and future ground or underlying leases of the Building or Project and to the lien of any mortgage, trust deed or other encumbrances now or hereafter in force against the Building or Project or any part thereof, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages, trust deeds or other encumbrances, or the lessors under such ground lease or underlying leases, require in writing that this Lease be superior thereto. The subordination of this Lease to any future ground or underlying leases of the Building or Project or to the lien of any mortgage, trust deed or other encumbrances, shall be subject to Tenant's receipt of a commercially reasonable subordination, non-disturbance, and attornment agreement in favor of Tenant. Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage or deed in lieu thereof (or if any ground lease is terminated), to attorn, without any deductions or set-offs whatsoever, to the lienholder or purchaser or any successors thereto upon any such foreclosure sale or deed in lieu thereof (or to the ground lessor), if so requested to do so by such purchaser or lienholder or ground lessor, and to recognize such purchaser or lienholder or ground lessor as the lessor under this Lease, provided such lienholder or purchaser or ground lessor shall agree to accept this Lease and not disturb Tenant's occupancy, so long as Tenant timely pays the rent and observes and performs the terms, covenants and conditions of this Lease to be observed and performed by Tenant. Landlord's interest herein may be assigned as security at any time to any lienholder. Tenant shall, within ten (10) days of request by Landlord, execute such commercially reasonable instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds, ground leases or underlying leases. Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale.

19. DEFAULTS; REMEDIES

19.1 **Events of Default**. The occurrence of any of the following beyond the notice and cure periods provided in this Lease shall constitute a default of this Lease by Tenant (each, an "**Event of Default**"):

19.1.1 Any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease, or any part thereof, when due unless such failure is cured within five (5) business days after notice (provided that, with respect to the first late payment of Rent during any twelve (12) month period, Tenant shall be entitled to a period of five (5) business days after written notice by Landlord to Tenant that such amount is past due before such late payment of Rent shall constitute a default of this Lease by Tenant); or

19.1.2 Except where a specific time period is otherwise set forth for Tenant's performance in this Lease, in which event the failure to perform by Tenant within such time period shall be a default by Tenant under this Section 19.1.2, any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant where such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; provided that if the nature of such default is such that the same cannot reasonably be cured within a thirty (30) day period, no Event of Default Tenant shall be deemed to have occurred if Tenant diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure such default; or

19.1.3 Abandonment (as defined by applicable laws) of all or a substantial portion of the Premises by Tenant; or

19.1.4 The failure by Tenant to observe or perform according to the provisions of Articles 5, 14, 17 or 18 of this Lease where such failure continues for more than four (4) business days after notice from Landlord.

Any notices to be provided by Landlord under this Section 19.1 shall be in lieu of, and not in addition to, any notice required under Section 1161 et seq. of the Code of Civil Procedure, and may be served on Tenant in the manner allowed for service of notices under this Lease.

19.2 **Remedies Upon Default**. Upon the occurrence of any Event of Default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity (all of which remedies shall be distinct, separate and cumulative), the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

19.2.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor; and Landlord may recover from Tenant the following:

(i) The worth at the time of award of the unpaid rent which has been earned at the time of such termination; plus

(ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and

(v) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by Applicable Law.

The term "**rent**" as used in this Section 19.2 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 19.2.1(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the rate set forth in Article 25 of this Lease, but in no case greater than the maximum amount of such interest permitted by law. As used in Section 19.2.1(iii) above, the "**worth at the time of award**" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

19.2.2 Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any Event of Default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

19.2.3 Landlord shall at all times have the rights and remedies (which shall be cumulative with each other and cumulative and in addition to those rights and remedies available under Sections 19.2.1 and 19.2.2, above, or any law or other provision of this Lease), without prior demand or notice except as required by Applicable Law, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease, or restrain or enjoin a violation or breach of any provision hereof.

19.3 **Subleases of Tenant**. If Landlord elects to terminate this Lease on account of any Event of Default by Tenant, as set forth in this Article 19, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

19.4 **Efforts to Relet**. No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlord's interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to Tenant. Tenant hereby irrevocably waives any right otherwise available under any law to redeem or reinstate this Lease.

19.5 **Landlord Default**.

19.5.1 **General**. 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, Tenant may, except as otherwise specifically provided in this Lease to the contrary, exercise any of its rights provided at law or in equity.

19.5.2 **Abatement of Rent**. In the event that Tenant is prevented from using, and does not use, the Premises or any portion thereof, as a result of (i) any repair, maintenance, remediation or alteration performed by Landlord, or which Landlord failed to perform, after the Lease Commencement Date and required by this Lease, which substantially interferes with Tenant's use of the Premises, or (ii) any failure to provide services, utilities or access to the Premises to the extent required by this Lease, each as a direct result of Landlord's negligence or willful misconduct (and except to the extent such failure is caused in whole or in part by the action or inaction of Tenant) (either such set of circumstances as set forth in items (i) or (ii), above, to be known as an "**Abatement Event**"), then Tenant shall give Landlord notice of such Abatement Event, and if such Abatement Event continues for seven (7) consecutive business days after Landlord's receipt of any such notice (the "**Eligibility Period**") and Landlord does not diligently commence and pursue to completion the remedy of such Abatement Event, then the Base Rent, Tenant's Share of Direct Expenses, and Tenant's obligation, if any, to pay for parking (to the extent not utilized by Tenant) shall be abated or reduced, as the case may be, after expiration of the Eligibility Period for such time that Tenant continues to be so prevented from using, and does not use for the normal conduct of Tenant's business, the Premises or a portion thereof, in the proportion that the rentable area of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable area of the Premises; provided, however, in the event that Tenant is prevented from using, and does not use, a portion of the Premises for a period of time in excess of the Eligibility Period and the remaining portion of the Premises is not sufficient to allow Tenant to effectively conduct its business therein, and if Tenant does not effectively conduct its business from such remaining portion, then for such time after expiration of the Eligibility Period during which Tenant is so prevented from effectively conducting its business therein, the Base Rent and Tenant's Share of Direct Expenses for the entire Premises and Tenant's obligation to pay for parking shall be abated for such time as Tenant continues to be so prevented from using, and does not use, the Premises. If, however, Tenant reoccupies any portion of the Premises during such period, the Rent allocable to such reoccupied portion, based on the proportion that the rentable area of such reoccupied portion of the Premises bears to the total rentable area of the Premises, shall be payable by Tenant from the date Tenant reoccupies such portion of the Premises. To the extent an Abatement Event is caused by an event covered by Articles 5, 11 or 13 of this Lease, then Tenant's right to abate rent shall be governed by the terms of such Article 5, 11 or 13, as applicable, and the Eligibility Period shall not be applicable thereto. Such right to abate Base Rent and Tenant's Share of Direct Expenses shall be Tenant's sole and exclusive remedy for rent abatement at law or in equity for an Abatement Event. Except as provided in this Section 19.5.2, nothing contained herein shall be interpreted to mean that Tenant is excused from paying Rent due hereunder.

20. COVENANT OF QUIET ENJOYMENT. Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant express or implied.

21. LETTER OF CREDIT.

21.1 **Delivery of Letter of Credit**. Tenant shall deliver to Landlord, concurrently with Tenant's execution of this Lease, an unconditional, clean, irrevocable letter of credit (the "**L-C**") in the amount set forth in Section 8 of the Lease Summary (the "**L-C Amount**"), which L-C shall be issued by a money-center, solvent and nationally recognized bank (a bank which accepts deposits, maintains accounts, has a local San Francisco Bay Area office which will negotiate a letter of credit or will accept draw requests by facsimile, and whose deposits are insured by the FDIC) reasonably acceptable to Landlord (such approved, issuing bank being referred to herein as the "**Bank**"), which Bank must have a rating from Standard and Poors Corporation of A- or better (or any equivalent rating thereto from any successor or substitute rating service selected by Lessor) and a letter of credit issuer rating from Moody's Investor Service of A3 or better (or any equivalent rating thereto from any successor rating agency thereto)) (collectively, the "**Bank's Credit Rating Threshold**"), and which L-C shall be in the form of **Exhibit H**, attached hereto. Landlord agrees that Silicon Valley Bank is acceptable as the Bank as of the date of this Lease. Tenant shall pay all expenses, points and/or fees incurred by Tenant in obtaining the L-C. The L-C shall (i) be "callable" at sight, irrevocable and unconditional, (ii) be maintained in effect, whether through renewal or extension, for the period commencing on the date of this Lease and continuing until the date (the "**L-C Expiration Date**") that is no less than sixty (60) days after the expiration of the Lease Term as the same may be extended, and Tenant shall deliver a new L-C or certificate of renewal or extension to Landlord at least thirty (30) days prior to the expiration of the L-C then held by Landlord, without any action whatsoever on the part of Landlord, (iii) be fully assignable by Landlord, its successors and assigns, (iv) permit partial draws and multiple presentations and drawings, and (v) be otherwise subject to the Uniform Customs and Practices for Documentary Credits (1993-Rev), International Chamber of Commerce Publication #500, or the International Standby Practices-ISP 98, International Chamber of Commerce Publication #590. Landlord, or its then managing agent, shall have the right to draw down an amount up to the face amount of the L-C if any of the following shall have occurred or be applicable: (A) such amount is due to Landlord under the terms and conditions of this Lease, and has not been paid within applicable notice and cure periods (or, if Landlord is prevented by law from providing notice, within the period for payment set forth in the Lease), or (B) Tenant has filed a voluntary petition under the U. S. Bankruptcy Code or any state bankruptcy code (collectively, "**Bankruptcy Code**"), or (C) an involuntary petition has been filed against Tenant under the Bankruptcy Code that is not dismissed within thirty (30) days, or (D) the Lease has been rejected, or is deemed rejected, under Section 365 of the U.S. Bankruptcy Code, following the filing of a voluntary petition by Tenant under the Bankruptcy Code, or the filing of an involuntary petition against Tenant under the Bankruptcy Code, or (E) the Bank has notified Landlord that the L-C will not be renewed or extended through the L-C Expiration Date, and Tenant has not provided a replacement L-C that satisfies the requirements of this Lease at least thirty (30) days prior to such expiration, or (F) Tenant is placed into receivership or conservatorship, or becomes subject to similar proceedings under Federal or State law, or (G) Tenant executes an assignment for the benefit of creditors, or (H) if (1) any of the Bank's (other than Silicon Valley Bank) Fitch Ratings (or other comparable ratings to the extent the Fitch Ratings are no longer available) have been reduced below the Bank's Credit Rating Threshold, or (2) there is otherwise a material adverse change in the financial condition of the Bank, and Tenant has failed to provide Landlord with a replacement letter of credit, conforming in all respects to the requirements of this Article 21 (including, but not limited to, the requirements placed on the issuing Bank more particularly set forth in this Section 21.1 above), in the amount of the applicable L-C Amount, within ten (10) business days following Landlord's written demand therefor (with no other notice or cure or grace period being applicable thereto, notwithstanding anything in this Lease to the contrary) (each of the foregoing being an "**L-C Draw Event**"). The L-C shall be honored by the Bank regardless of whether Tenant disputes Landlord's right to draw upon the L-C. In addition, in the event the Bank is placed into receivership or conservatorship by the Federal Deposit Insurance Corporation or any successor or similar entity, then, effective as of the date such receivership or conservatorship occurs, said L-C shall be deemed to fail to meet the requirements of this Article 21, and, within ten (10) business days following Landlord's notice to Tenant of such receivership or conservatorship (the "**L-C FDIC Replacement Notice**"), Tenant shall replace such L-C with a substitute letter of credit from a different issuer (which issuer shall meet or exceed the Bank's Credit Rating Threshold and shall otherwise be acceptable to Landlord in its reasonable discretion) and that complies in all respects with the requirements of this Article 21. If Tenant fails to replace such L-C with such conforming, substitute letter of credit pursuant to the terms and conditions of this Section 21.1, then, notwithstanding anything in this Lease to the contrary, Landlord shall have the right to declare Tenant in default of this Lease for which there shall be no notice or grace or cure periods being applicable thereto (other than the aforesaid ten (10) business day period). Tenant shall be responsible for the payment of any and all Tenant's and Bank's costs incurred with the review of any replacement L-C, which replacement is required pursuant to this Section or is otherwise requested by Tenant. In the event of an assignment by Tenant of its interest in the Lease (and irrespective of whether Landlord's consent is required for such assignment), the acceptance of any replacement or substitute letter of credit by Landlord from the assignee shall be subject to Landlord's prior written approval, in Landlord's reasonable discretion, and the actual and reasonable attorney's fees incurred by Landlord in connection with such determination shall be payable by Tenant to Landlord within ten (10) days of billing.

21.2 **Application of L-C**. Tenant hereby acknowledges and agrees that Landlord is entering into this Lease in material reliance upon the ability of Landlord to draw upon the L-C upon the occurrence of any L-C Draw Event and apply the proceeds of the L-C in accordance with this Article 21, Landlord may, but without obligation to do so, and without notice to Tenant (except in connection with an L-C Draw Event under Section 21.1(H) above), draw upon the L-C, in part or in whole, in the amount necessary to cure any such L-C Draw Event and/or to compensate Landlord for any and all damages of any kind or nature sustained or which Landlord reasonably estimates that it will sustain resulting from Tenant's breach or default of the Lease or other L-C Draw Event and/or to compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code. The use, application or retention of the L-C proceeds, or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by this Lease or by any applicable law, it being intended that Landlord shall not first be required to proceed against the L-C, and such L-C shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. Tenant agrees and acknowledges that (i) the L-C constitutes a separate and independent contract between Landlord and the Bank, (ii) Tenant is not a third party beneficiary of such contract, (iii) Tenant has no property interest whatsoever in the L-C or the proceeds thereof, and (iv) in the event Tenant becomes a debtor under any chapter of the Bankruptcy Code, Tenant is placed into receivership or conservatorship, and/or there is an event of a receivership, conservatorship or a bankruptcy filing by, or on behalf of, Tenant, neither Tenant, any trustee, nor Tenant's bankruptcy estate shall have any right to restrict or limit Landlord's claim and/or rights to the L-C and/or the proceeds thereof by application of Section 502(b)(6) of the U. S. Bankruptcy Code or otherwise.

21.3 **Maintenance of L-C by Tenant**. If, as a result of any proper drawing by Landlord of all or any portion of the L-C, the amount of the L-C shall be less than the L-C Amount, Tenant shall, within five (5) days thereafter, provide Landlord with additional letter(s) of credit in an amount equal to the deficiency, and any such additional letter(s) of credit shall comply with all of the provisions of this Article 21. Tenant further covenants and warrants that it will neither assign nor encumber the L-C or any part thereof and that neither Landlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. Without limiting the generality of the foregoing, if the L-C expires earlier than the L-C Expiration Date, Landlord will accept a renewal thereof (such renewal letter of credit to be in effect and delivered to Landlord, as applicable, not later than thirty (30) days prior to the expiration of the L-C), which shall be irrevocable and automatically renewable as above provided through the L-C Expiration Date upon the same terms as the expiring L-C or such other terms as may be acceptable to Landlord in its sole discretion. If Tenant exercises its option to extend the Lease Term pursuant to Section 2.2 of this Lease then, not later than thirty (30) days prior to the commencement of the Option Term, Tenant shall deliver to Landlord a new L C or certificate of renewal or extension evidencing the L-C Expiration Date as thirty (30) days after the expiration of the Option Term. However, if the L-C is not timely renewed, or if Tenant fails to maintain the L-C in the amount and in accordance with the terms set forth in this Article 21, Landlord shall have the right to present the L-C to the Bank in accordance with the terms of this Article 21, and the proceeds of the L-C may be applied by Landlord against any Rent payable by Tenant under this Lease that is not paid when due and/or to pay for all losses and damages that Landlord has suffered or that Landlord reasonably estimates that it will suffer as a result of any breach or default by Tenant under this Lease. In the event Landlord elects to exercise its rights as provided above, (I) any unused proceeds shall constitute the property of Landlord (and not Tenant's property or, in the event of a receivership, conservatorship, or a bankruptcy filing by, or on behalf of, Tenant, property of such receivership, conservatorship or Tenant's bankruptcy estate) and need not be segregated from Landlord's other assets, and (II) Landlord agrees to pay to Tenant within thirty (30) days after the L-C Expiration Date the amount of any proceeds of the L-C received by Landlord and not applied against any Rent payable by Tenant under this Lease that was not paid when due or used to pay for any losses and/or damages suffered by Landlord (or reasonably estimated by Landlord that it will suffer) as a result of any breach or default by Tenant under this Lease; provided, however, that if prior to the L-C Expiration Date a voluntary petition is filed by Tenant, or an involuntary petition is filed against Tenant by any of Tenant's creditors, under the Bankruptcy Code, then Landlord shall not be obligated to make such payment in the amount of the unused L-C proceeds until either all preference issues relating to payments under this Lease have been resolved in such bankruptcy or reorganization case or such bankruptcy or reorganization case has been dismissed. If Landlord draws on the L-C due to Tenant's failure to timely renew or provide a replacement L-C, such failure shall not be considered a default under this Lease and Landlord shall return such cash proceeds upon Tenant's presentation of a replacement L-C that satisfies the requirements of this Lease, subject to reasonable satisfaction of any preference risk to Landlord.

21.4 **Transfer and Encumbrance**. The L-C shall also provide that Landlord may, at any time and without notice to Tenant and without first obtaining Tenant's consent thereto, transfer (one or more times) all or any portion of its interest in and to the L-C to another party, person or entity, regardless of whether or not such transfer is from or as a part of the assignment by Landlord of its rights and interests in and to this Lease. In the event of a transfer of Landlord's interest in under this Lease, Landlord shall transfer the L-C, in whole or in part, to the transferee and thereupon Landlord shall, without any further agreement between the parties, be released by Tenant from all liability therefor, and it is agreed that the provisions hereof shall apply to every transfer or assignment of the whole of said L-C to a new landlord. In connection with any such transfer of the L-C by Landlord, Tenant shall, at Tenant's sole cost and expense, execute and submit to the Bank such applications, documents and instruments as may be necessary to effectuate such transfer and, Tenant shall be responsible for paying the Bank's transfer and processing fees in connection therewith; provided that, Landlord shall have the right (in its sole discretion), but not the obligation, to pay such fees on behalf of Tenant, in which case Tenant shall reimburse Landlord within ten (10) business days after Tenant's receipt of an invoice from Landlord therefor.

21.5 **L-C Not a Security Deposit**. Landlord and Tenant (1) acknowledge and agree that in no event or circumstance shall the L-C or any renewal thereof or substitute therefor or any proceeds thereof be deemed to be or treated as a "security deposit" under any law applicable to security deposits in the commercial context, including, but not limited to, Section 1950.7 of the California Civil Code, as such Section now exists or as it may be hereafter amended or succeeded (the "**Security Deposit Laws**"), (2) acknowledge and agree that the L-C (including any renewal thereof or substitute therefor or any proceeds thereof) is not intended to serve as a security deposit, and the Security Deposit Laws shall have no applicability or relevancy thereto, and (3) waive any and all rights, duties and obligations that any such party may now, or in the future will, have relating to or arising from the Security Deposit Laws. Tenant hereby irrevocably waives and relinquishes the provisions of Section 1950.7 of the California Civil Code and any successor statute, and all other provisions of law, now or hereafter in effect, which (x) establish the time frame by which a landlord must refund a security deposit under a lease, and/or (y) provide that a landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by a tenant or to clean the premises, it being agreed that Landlord may, in addition, claim those sums specified in this Article 21 and/or those sums reasonably necessary to (a) compensate Landlord for any loss or damage caused by Tenant's breach of this Lease, including any damages Landlord suffers following termination of this Lease, and/or (b) compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code. Tenant agrees not to interfere in any way with any payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of all or any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw down all or any portion of the L-C. No condition or term of this Lease shall be deemed to render the L-C conditional and thereby afford the Bank a justification for failing to honor a drawing upon such L-C in a timely manner. Tenant shall not request or instruct the Bank of any L-C to refrain from paying sight draft(s) drawn under such L-C.

21.5 **Remedy for Improper Drafts**. Tenant's sole remedy in connection with Landlord's improper draw against the L-C or Landlord's improper application of any proceeds of sight drafts drawn under the L-C shall be the right to obtain from Landlord a refund of the amount of any sight draft(s) that were improperly presented or the proceeds of which were misapplied, and reasonable actual out-of-pocket attorneys' fees, provided that at the time of such refund, Tenant increases the amount of such L-C to the amount (if any) then required under the applicable provisions of this Lease. Tenant acknowledges that Landlord's draw against the L-C, application or retention of any proceeds thereof, the presentment of sight drafts drawn under any L-C, or the Bank's payment of sight drafts drawn under such L-C, could not under any circumstances cause Tenant injury that could not be remedied by an award of money damages, and that the recovery of money damages would be an adequate remedy therefor. In the event Tenant shall be entitled to a refund as aforesaid and Landlord shall fail to make such payment within ten (10) business days after demand, Tenant shall have the right to deduct the amount thereof from the next installment(s) of Base Rent.

22. COMMUNICATIONS AND COMPUTER LINES. Tenant may install, maintain, replace, remove or use any communications or computer wires and cables serving the Premises (collectively, the "**Lines**"), provided that Tenant shall obtain Landlord's prior written consent (not to be unreasonably withheld, conditioned or delayed), use an experienced and qualified contractor approved in writing by Landlord, and comply with all of the other provisions of Articles 7 and 8 of this Lease. Tenant shall pay all costs in connection therewith. Landlord reserves the right, upon notice to Tenant prior to the expiration or earlier termination of this Lease, to require that Tenant, at Tenant's sole cost and expense, remove any Lines located in or serving the Premises prior to the expiration or earlier termination of this Lease.

23. SIGNS.

23.1 **Exterior Signage**. Subject to Landlord's prior written approval, which shall not be unreasonably withheld, conditioned or delayed, and provided all signs are in keeping with the quality, design and style of the Building and Project, Tenant, at its sole cost and expense, may install (i) identification signage on the existing monument sign at the Building, (ii) at the entrance to the Building, and (iii) on the top of the exterior façade of the Building (collectively, "**Tenant Signage**"); provided, however, in no event shall Tenant's Signage include an "Objectionable Name," as that term is defined in Section 23.3, of this Lease. All such signage shall be subject to Tenant's obtaining all required governmental approvals. All permitted signs shall be maintained by Tenant at its expense in a first-class and safe condition and appearance. Except for maintenance, cleaning or other costs related to upkeep required by Landlord under this Lease (to the extent not included as Operating Expenses in Article 4, above), Landlord shall not charge any fee for the right to use the Tenant's Signage. Upon the expiration or earlier termination of this Lease, Tenant shall remove all of its signs at Tenant's sole cost and expense. The graphics, materials, color, design, lettering, lighting, size, illumination, specifications and exact location of Tenant's Signage (collectively, the "**Sign Specifications**") shall be subject to the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed, and shall be consistent and compatible with the quality and nature of the Project. Tenant hereby acknowledges that, notwithstanding Landlord's approval of Tenant's Signage, Landlord has made no representation or warranty to Tenant with respect to the probability of obtaining all necessary governmental approvals and permits for Tenant's Signage. In the event Tenant does not receive the necessary governmental approvals and permits for Tenant's Signage, Tenant's and Landlord's rights and obligations under the remaining terms and conditions of this Lease shall be unaffected.

23.2 **Objectionable Name**. Tenant's Signage shall not include a name or logo which relates to an entity which is of a character or reputation, or is associated with a political faction or orientation, which is inconsistent with the quality of the Project, or which would otherwise reasonably offend a landlord of the Comparable Buildings (an "**Objectionable Name**"). The parties hereby agree that the following names, or any reasonable derivation thereof, shall be deemed not to constitute an Objectionable Name: "Alumis Inc." or "Alumis".

23.3 **Prohibited Signage and Other Items**. Any signs, notices, logos, pictures, names or advertisements which are installed and that have not been separately approved by Landlord may be removed without notice by Landlord at the sole expense of Tenant. Any signs, window coverings, or blinds (even if the same are located behind the Landlord-approved window coverings for the Building), or other items visible from the exterior of the Premises or Building, shall be subject to the prior approval of Landlord, in its sole discretion.

23.4 **Termination of Right to Tenant's Signage**. The rights contained in this Article 23 shall be personal to Original Tenant and its Approved Assignee or Permitted Assignee, and may only be exercised and maintained by such parties (and not any other assignee, sublessee or other transferee of the Original Tenant's interest in this Lease) to the extent (*x*) there is not an Event of Default that is continuing *and* (y) if they occupy the entire Premises (occupying by a subtenant as a result of a Permitted Transfer shall be deemed occupancy of the entire Premises).

24. COMPLIANCE WITH LAW. Landlord shall comply with all applicable laws relating to the Base Building and Common Areas, provided that compliance with such applicable laws is not the responsibility of Tenant under this Lease, and provided further that, as between Landlord and Tenant, Landlord shall not be deemed to be in default of the Lease as a result of the failure to comply with any applicable laws unless Landlord's failure to comply therewith would prohibit Tenant from obtaining or maintaining a certificate of occupancy for the Premises, would materially affect the safety of Tenant's employees or create a material health hazard for Tenant's employees, would prevent or unreasonably interfere with Tenant's access to the Premises or use of the Premises for the conduct of Tenant's business, or would otherwise result in any material cost or liability to Tenant. Tenant shall not do anything or suffer anything to be done in or about the Premises or the Project which will in any way conflict with any law, statute, ordinance or other rule, directive, order, regulation, guideline or requirement of any governmental entity or governmental agency (the "**Applicable Laws**") now in force or which may hereafter be enacted or promulgated. At its sole cost and expense, Tenant shall promptly comply with all such governmental measures (except to the extent such are Landlord's responsibility under this Lease) (including the making of any alterations to the Premises required by such governmental measures) which relate to (i) Tenant's use of the Premises, (ii) the Alterations or the Tenant Improvements in the Premises, or (iii) the "Base Building" (which shall include the Building Structure, and the public restrooms, elevators, exit stairwells and the Building Systems located in the internal core of the Buildings on the floor or floors on which the Premises is located), but, as to the Base Building, only to the extent such obligations are triggered by Tenant's Alterations, the Tenant Improvements, or Tenant's specific use of the Premises (as opposed to general occupancy for the Permitted Use). Should any standard or regulation now or hereafter be imposed on Landlord or Tenant by a state, federal or local governmental body charged with the establishment, regulation and enforcement of occupational, health or safety standards for employers, employees, landlords or tenants, then Tenant agrees, at its sole cost and expense, to comply promptly with such standards or regulations. Tenant shall be responsible, at its sole cost and expense, to make all alterations to the Building and Premises as are required to comply with the governmental rules, regulations, requirements or standards described in this Article 24 as being Tenant's express responsibility. The judgment of any court of competent jurisdiction or the admission of Tenant in any judicial action, regardless of whether Landlord is a party thereto, that Tenant has violated any of said governmental measures, shall be conclusive of that fact as between Landlord and Tenant. For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Project, Building and Premises have not undergone inspection by a Certified Access Specialist (CASp). As required by Section 1938(e) of the California Civil Code, Landlord hereby states as follows: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." In furtherance of the foregoing, Landlord and Tenant hereby agree as follows: (a) any CASp inspection requested by Tenant shall be conducted, at Tenant's sole cost and expense, by a CASp approved in advance by Landlord; and (b) pursuant to Article 24 below, Tenant, at its cost, is responsible for making any repairs within the Premises to correct violations of construction-related accessibility standards; and, if anything done by or for Tenant in its use or occupancy of the Premises shall require repairs to the Building (outside the Premises) to correct violations of construction-related accessibility standards, then Tenant shall, at Landlord's option, either perform such repairs at Tenant's sole cost and expense or reimburse Landlord upon demand, as Additional Rent, for the cost to Landlord of performing such repairs.

25. LATE CHARGES. If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) business days after Tenant's receipt of written notice from Landlord that said amount is due, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the overdue amount plus any reasonable attorneys' fees incurred by Landlord by reason of Tenant's failure to pay Rent and/or other charges when due hereunder. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing hereunder which are not paid within ten (10) days after the date they are due shall bear interest from the date when due until paid at a rate per annum equal to the lesser of (i) the annual "Bank Prime Loan" rate cited in the Federal Reserve Statistical Release Publication G.13(415), 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 four (4) percentage points, and (ii) the highest rate permitted by Applicable Law.

26. LANDLORD'S RIGHT TO CURE DEFAULT; PAYMENTS BY TENANT.

26.1 **Landlord's Cure**. All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent, except to the extent, if any, otherwise expressly provided herein. If Tenant shall fail to perform any obligation under this Lease, and such failure shall continue in excess of the time allowed under Section 19.1.2, above, unless a specific time period is otherwise stated in this Lease, Landlord may, but shall not be obligated to, make any such payment or perform any such act on Tenant's part without waiving its rights based upon any default of Tenant and without releasing Tenant from any obligations hereunder.

26.2 **Tenant's Reimbursement**. Except as may be specifically provided to the contrary in this Lease, Tenant shall pay to Landlord, upon delivery by Landlord to Tenant of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with the remedying by Landlord of Tenant's Events of Default pursuant to the provisions of Section 26.1; (ii) sums equal to all losses, costs, liabilities, damages and expenses referred to in Article 10 of this Lease; and (iii) sums equal to all reasonable expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent or in enforcing or attempting to enforce any rights of Landlord under this Lease or pursuant to law, including, without limitation, all reasonable legal fees and other amounts so expended. Tenant's obligations under this Section 26.2 shall survive the expiration or sooner termination of the Lease Term.

27. ENTRY BY LANDLORD. Landlord reserves the right at all reasonable times and upon reasonable notice to Tenant (except in the case of an emergency) to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, or to current or prospective mortgagees, ground or underlying lessors or insurers or, during the last twelve (12) months of the Lease Term, to prospective tenants; (iii) post notices of nonresponsibility (to the extent applicable pursuant to then Applicable Law); or (iv) alter, improve or repair the Premises or the Building, or for structural alterations, repairs or improvements to the Building or the Building's systems and equipment. Landlord may make any such entries without the abatement of Rent, except as otherwise provided in this Lease, and may take such reasonable steps as required to accomplish the stated purposes. In an emergency, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises by Landlord in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises. Landlord shall use commercially reasonable efforts to minimize any interference with Tenant's use of or access to the Premises in connection with any such entry, and shall comply with Tenant's reasonable security measures. Landlord shall hold confidential any information regarding Tenant's business that it may learn as a result of such entry.

28. TENANT PARKING. Tenant shall have the right to use the amount of parking set forth in Section 9 of the Summary, in the on-site and/or off-site, as the case may be, parking facility (or facilities) which serve the Project at no cost throughout the Lease Term, as may be extended. Tenant shall abide by all reasonable rules and regulations which are prescribed from time to time for the orderly operation and use of the parking facility where the parking passes are located (including any sticker or other identification system established by Landlord and the prohibition of vehicle repair and maintenance activities in the parking facilities), and shall cooperate in seeing that Tenant's employees and visitors also comply with such rules and regulations. Tenant's use of the Project parking facility shall be at Tenant's sole risk and Tenant acknowledges and agrees that Landlord shall have no liability whatsoever for damage to the vehicles of Tenant, its employees and/or visitors, or for other personal injury or property damage or theft relating to or connected with the parking rights granted herein or any of Tenant's, its employees' and/or visitors' use of the parking facilities.

29. MISCELLANEOUS PROVISIONS.

29.1 **Terms; Captions**. The words "**Landlord**" and "**Tenant**" as used herein shall include the plural as well as the singular. The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections.

29.2 **Binding Effect**. Subject to all other provisions of this Lease, each of the covenants, conditions and provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective heirs, personal representatives, successors or assigns, provided this clause shall not permit any assignment by Tenant in violation of the provisions of Article 14 of this Lease.

29.3 **No Air Rights**. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease. If at any time any windows of the Premises are temporarily darkened or the light or view therefrom is obstructed by reason of any repairs, improvements, maintenance or cleaning in or about the Project, the same shall be without liability to Landlord and without any reduction or diminution of Tenant's obligations under this Lease.

29.4 **Modification of Lease**. Should any current or prospective mortgagee or ground lessor for the Building or Project require a modification of this Lease, which modification will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute whatever documents are reasonably required therefor and to deliver the same to Landlord within ten (10) business days following a request therefor. At the request of Landlord or any mortgagee or ground lessor, Tenant agrees to execute a short form of Lease and deliver the same to Landlord within ten (10) business days following the request therefor.

29.5 **Transfer of Landlord's Interest**. Tenant acknowledges that Landlord has the right to transfer all or any portion of its interest in the Project or Building and in this Lease, and Tenant agrees that in the event of any such transfer, Landlord shall automatically be released from all liability accruing under this Lease after the date of such transfer and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations accruing hereunder after the date of transfer provided that the transferee shall have fully assumed in writing and agreed to be liable for all obligations of this Lease to be performed by Landlord, including the return of any security deposit following the date of the transfer, and Tenant shall attorn to such transferee.

29.6 **Prohibition Against Recording**. Except as provided in Section 29.4 of this Lease, neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant.

29.7 **Landlord's Title**. Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord.

29.8 **Relationship of Parties**. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant.

29.9 **Application of Payments**. Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

29.10 **Time of Essence**. Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

29.11 **Partial Invalidity**. If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

29.12 **No Warranty**. In executing and delivering this Lease, Tenant has not relied on any representations, including, but not limited to, any representation as to the amount of any item comprising Additional Rent or the amount of the Additional Rent in the aggregate or that Landlord is furnishing the same services to other tenants, at all, on the same level or on the same basis, or any warranty or any statement of Landlord which is not set forth herein or in one or more of the exhibits attached hereto.

29.13 **Landlord Exculpation**. The liability of Landlord or the Landlord Parties to Tenant for any default by Landlord under this Lease or arising in connection herewith or with Landlord's operation, management, leasing, repair, renovation, alteration or any other matter relating to the Project or the Premises shall be limited solely and exclusively to an amount which is equal to the lesser of (a) the interest of Landlord in the Building or (b) the equity interest Landlord would have in the Building if the Building were encumbered by third-party debt in an amount equal to eighty percent (80%) of the value of the Building (as such value is determined by Landlord), provided that in no event shall such liability extend to any sales or insurance proceeds received by Landlord or the Landlord Parties in connection with the Project, Building or Premises. No Landlord Parties (other than Landlord) shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. The limitations of liability contained in this Section 29.13 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner of Landlord (if Landlord is a partnership), or trustee or beneficiary (if Landlord or any partner of Landlord is a trust), have any liability for the performance of Landlord's obligations under this Lease. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring, or loss to inventory, scientific research, scientific experiments, laboratory animals, products, specimens, samples, and/or scientific, business, accounting and other records of every kind and description kept at the premises and any and all income derived or derivable therefrom. Similarly, notwithstanding any contrary provision herein, except and then only to the extent as set forth in Article 16 above, neither Tenant nor the Tenant Parties shall be liable under any circumstances for injury or damage to, or interference with, Landlord's business, including but not limited to, loss of profits, loss of rents or other revenues (other than amounts due under this Lease), loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

29.14 **Entire Agreement**. It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease and this Lease constitutes the parties' entire agreement with respect to the leasing of the Premises and supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. None of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto.

29.15 **Right to Lease**. Landlord reserves the absolute right to effect such other tenancies in the Project as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Building or Project. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Building or Project.

29.16 **Force Majeure**. Notwithstanding anything to the contrary contained in this Lease, any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, acts of war, terrorist acts, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, Casualty, actual or threatened public health emergency (including, without limitation, epidemic, pandemic, famine, disease, plague, quarantine, and other significant public health risk), governmental edicts, actions, declarations or quarantines by a governmental entity or health organization (including, without limitation, any shelter-in-place orders, stay at home orders or any restrictions on travel related thereto that preclude Tenant, its agents, contractors or its employees from accessing the Premises, national or regional emergency), breaches in cybersecurity, and other causes beyond the reasonable control of the party obligated to perform, regardless of whether such other causes are (i) foreseeable or unforeseeable or (ii) related to the specifically enumerated events in this paragraph (collectively, a "**Force Majeure**"), shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage. 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. Notwithstanding anything to the contrary in this Lease, no event of Force Majeure shall (i) excuse Tenant's obligations to pay Rent and other charges due pursuant to this Lease, (ii) be grounds for Tenant to abate any portion of Rent due pursuant to this Lease, or entitle either party to terminate this Lease, except as allowed pursuant to Articles 11 and 13 of this Lease, (iii) excuse Tenant's obligations under Articles 5 and 24 of this Lease.

29.17 **Waiver of Redemption by Tenant**. Tenant hereby waives, for Tenant and for all those claiming under Tenant, any and all rights now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

29.18 **Notices**. All notices, demands, statements, designations, approvals or other communications (collectively, "**Notices**") given or required to be given by either party to the other hereunder or by law shall be in writing, shall be (A) sent by United States certified or registered mail, postage prepaid, return receipt requested ("**Mail**"), (B) transmitted by telecopy, if such telecopy is promptly followed by a Notice sent by Mail, (C) delivered by a nationally recognized overnight courier, or (D) delivered personally. Any Notice shall be sent, transmitted, or delivered, as the case may be, to Tenant at the appropriate address set forth in Section 10 of the Summary, or to such other place as Tenant may from time to time designate in a Notice to Landlord, or to Landlord at the addresses set forth below, or to such other places as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given (i) upon receipt if sent by Mail, (ii) the date the telecopy is transmitted, (iii) the date the overnight courier delivery is made (or refused), or (iv) the date personal delivery is made (or refused). As of the date of this Lease, any Notices to Landlord must be sent, transmitted, or delivered, as the case may be, to the following addresses:

PG VII 280 East Grand, LLC
c/o Healthpeak Properties, Inc.
5050 S Syracuse St. #800
Denver, CO 80237
Attn: Legal Department

with a copy to:

Healthpeak Properties, Inc.
1920 Main Street, Suite 1200
Irvine, CA 92614
Attention: Scott Bohn

and

Allen Matkins Leck Gamble Mallory & Natsis LLP
1901 Avenue of the Stars, Suite 1800
Los Angeles, California 90067
Attention: Anton N. Natsis, Esq.

29.19 **Joint and Several**. If there is more than one tenant, the obligations imposed upon Tenant under this Lease shall be joint and several.

29.20 **Authority**. If Tenant is a corporation, trust or partnership, Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in the State of California and that Tenant has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so. If requested by Landlord, Tenant shall, within ten (10) days after execution of this Lease, deliver to Landlord satisfactory evidence of such authority and, if a corporation, upon demand by Landlord, also deliver to Landlord satisfactory evidence of (i) good standing in Tenant's state of incorporation and (ii) qualification to do business in the State of California.

29.21 **Attorneys' Fees**. In the event that either Landlord or Tenant should bring suit for the possession of the Premises, for the recovery of any sum due under this Lease, or because of the breach of any provision of this Lease or for any other relief against the other, then all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party therein shall be paid by the other party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment.

29.22 **Governing Law; WAIVER OF TRIAL BY JURY; JUDICIAL REFERENCE**.

29.22.1 **Governing Law**. This Lease shall be construed and enforced in accordance with the laws of the State of California. In any action or proceeding arising herefrom, Landlord and Tenant hereby consent to (i) the jurisdiction of any competent court within the State of California, and (ii) service of process by any means authorized by California law.

29.22.2 **WAIVER OF TRIAL BY JURY**. IN THE INTEREST OF SAVING TIME AND EXPENSE, TRIAL WITHOUT A JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR THEIR SUCCESSORS IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE, OR ANY EMERGENCY OR STATUTORY REMEDY. IN THE EVENT LANDLORD COMMENCES ANY SUMMARY PROCEEDINGS OR ACTION FOR NONPAYMENT OF BASE RENT OR ADDITIONAL RENT, TENANT SHALL NOT INTERPOSE ANY COUNTERCLAIM OF ANY NATURE OR DESCRIPTION (UNLESS SUCH COUNTERCLAIM SHALL BE MANDATORY) IN ANY SUCH PROCEEDING OR ACTION, BUT SHALL BE RELEGATED TO AN INDEPENDENT ACTION AT LAW.

29.22.3 **Judicial Reference**. If the jury waiver provisions of this Section 29.22 are not enforceable under California law, then the following provisions shall apply. 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 actions for unlawful or forcible detainer or with respect to the 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, Tenant's use or occupancy of the Premises 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 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 allocation of the costs and fees, including any initiation fee, of such proceeding shall be ultimately determined in accordance with Section 29.21 above. the venue of the proceedings shall be in the county in which the Premises are located. Within ten (10) days of receipt by any party of a written request to resolve any dispute or controversy pursuant to this Section 29.22, 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 the relevant matters to be determined, from JAMS, the American Arbitration Association or similar mediation/arbitration entity. 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 29.22. In this regard, the parties agree that the parties and the referee shall use best efforts to ensure that (a) discovery be conducted for a period no longer than six (6) months from the date the referee is appointed, excluding motions regarding discovery, and (b) 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 29.22 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.

29.23 **Submission of Lease**. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of, option for or option to lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

29.24 **Brokers**. Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the real estate brokers or agents specified in Section 12 of the Summary (the "**Brokers**"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent, other than the Broker, occurring by, through, or under the indemnifying party. The terms of this Section 29.24 shall survive the expiration or earlier termination of the Lease Term. Landlord shall pay the Broker a commission pursuant to a separate written agreement.

29.25 **Independent Covenants**. This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord.

29.26 **Project or Building Name, Address and Signage**. Landlord shall have the right at any time to change the name and/or address of the Project or Building and to install, affix and maintain any and all signs on the exterior and on the interior of the Project or Building as Landlord may, in Landlord's sole discretion, desire. Tenant shall not use the name of the Project or Building or use pictures or illustrations of the Project or Building in advertising or other publicity or for any purpose other than as the address of the business to be conducted by Tenant in the Premises, without the prior written consent of Landlord.

29.27 **Counterparts**. This Lease may be executed in counterparts with the same effect as if both parties hereto had executed the same document. Both counterparts shall be construed together and shall constitute a single lease.

29.28 **Confidentiality**. Tenant acknowledges that the content of this Lease and any related documents are confidential information. Tenant shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Tenant's consultants, attorneys, debt and equity investors, banks, and service contractors (i.e. architect and contractor), property managers and employees that have a need to know such information, including any governmental authority, without the prior written consent of Landlord. In the event Tenant reasonably believes that disclosure is required by applicable law, it shall provide Landlord ten (10) days' advance notice of disclosure of confidential information so that Landlord may attempt to obtain a protective order. Tenant may additionally release such information to bona fide prospective purchasers, lenders, assignees, or subtenants, subject to any such parties' written agreement to be bound to confidentiality obligations consistent with this Section 29.28.

29.29 **Development of the Project**.

29.29.1 **Subdivision**. Landlord reserves the right to subdivide all or a portion of the Project, buildings and Common Areas. Tenant agrees to execute and deliver, upon demand by Landlord and in the form reasonably requested by Landlord, any additional documents needed to conform this Lease to the circumstances resulting from a subdivision and any all maps in connection therewith. Notwithstanding anything to the contrary set forth in this Lease, the separate ownership of portions of the Project, or any buildings and/or Common Areas, by an entity other than Landlord shall not affect the calculation of Direct Expenses or Tenant's payment of Tenant's Share of Direct Expenses.

29.29.2 **Construction of Property and Other Improvements**. Tenant acknowledges that (i) portions of the Project may be under construction following Tenant's occupancy of the Premises, including the demolition of existing buildings, and construction of additional Project buildings, parking areas and structures, and other improvements, and (ii) that such work may result in levels of noise, dust, obstruction of access, etc. which are substantially in excess of that present in a fully constructed project, including erecting scaffolding or other necessary structures in the Project, and limiting or eliminating access to portions of the Project, including portions of the Common Areas. Tenant hereby waives any and all rent offsets or claims of constructive eviction which may arise in connection with such work, and agrees that neither Landlord nor any affiliate of Landlord shall have any responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from such work; provided, however, in undertaking any such construction, Landlord shall use commercially reasonable efforts to minimize interference with Tenant's use and enjoyment of the Premises, Tenant's access to the Premises, or any other rights Tenant has under this Lease.

29.30 **No Violation**. Each party hereby warrants and represents to the other party that neither its execution of nor performance under this Lease shall cause it to be in violation of any agreement, instrument, contract, law, rule or regulation by which it is bound, and it shall protect, defend, indemnify and hold the other party harmless against any claims, demands, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable attorneys' fees and costs, arising from its breach of this warranty and representation.

29.31 **Transportation Management**. Tenant shall fully comply with all present or future programs intended to manage parking, transportation or traffic in and around the Project and/or the Building, and in connection therewith, Tenant shall take responsible action for the transportation planning and management of all employees located at the Premises by working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities. Such programs may include, without limitation: (i) restrictions on the number of peak-hour vehicle trips generated by Tenant; (ii) increased vehicle occupancy; (iii) implementation of an in-house ridesharing program and an employee transportation coordinator; (iv) working with employees and any Project, Building or area-wide ridesharing program manager; (v) instituting employer-sponsored incentives (financial or in-kind) to encourage employees to rideshare; and (vi) utilizing flexible work shifts for employees.

29.32 **Payment under Protest**. If Tenant in good faith disputes any amounts billed by Landlord, other than (i) Base Rent, (ii) Additional Allowance Monthly Rent, or (iii) Tenant's Share of Direct Expenses (as to which Tenant may exercise its rights under Section 4.6, above), Tenant may make payment of such amounts under protest, and reserve all of its rights with respect to such amounts (the "**Disputed Amounts**"). Landlord and Tenant shall meet and confer to discuss any Disputed Amounts and attempt, in good faith, to resolve any particular dispute. If, despite such good faith efforts, Landlord and Tenant are unable to reach agreement regarding the Disputed Amounts, either party may submit the matter to binding arbitration under the JAMS Streamlined Arbitration Rules & Procedures. The non-prevailing party, as determined by JAMS, will be responsible to pay all fees and costs incurred in connection with the JAMS procedure, as well as all other costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party. This Section 29.32 shall not apply to claims relating to Landlord's exercise of any unlawful detainer rights pursuant to California law or rights or remedies used by Landlord to gain possession of the Premises or terminate Tenant's right of possession to the Premises.

29.33 **Prohibited Persons; Foreign Corrupt Practices Act and Anti-Money Laundering**. Neither Tenant nor any of its affiliates, nor any of their respective members, partners or other equity holders, and none of their respective officers, directors or managers is, nor prior to or during the Lease Term, will become a person or entity with whom U.S. persons or entities are restricted from doing business under (a) the Patriot Act (as defined below), (b) any other requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of the Treasury ("**OFAC**") (including any "**blocked**" person or entity listed in the Annex to Executive Order Nos. 12947, 13099 and 13224 and any modifications thereto or thereof or any other person or entity named on OFAC's Specially Designated Blocked Persons List) or (c) any other U.S. statute, Executive Order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism) or other governmental action (collectively, "**Prohibited Persons**"). Prior to and during the Lease Term, Tenant, and to Tenant's knowledge, its employees and any person acting on its behalf have at all times fully complied with, and are currently in full compliance with, the Foreign Corrupt Practices Act of 1977 and any other applicable anti-bribery or anti-corruption laws. Tenant is not entering into this Lease, directly or indirectly, in violation of any laws relating to drug trafficking, money laundering or predicate crimes to money laundering. As used herein, "**Patriot Act**" shall mean the USA Patriot Act of 2001, 107 Public Law 56 (October 26, 2001) and all other statutes, orders, rules and regulations of the U.S. government and its various executive departments, agencies and offices interpreting and implementing the Patriot Act.

29.34 **No Discrimination**. Tenant herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and the Lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or groups of persons on account of sex, sexual orientation, marital status, race, color, creed, religion, national origin or ancestry in the leasing, subleasing, renting, transferring, use, occupancy, tenure or enjoyment of the land herein leased, nor shall Tenant itself, or any person claiming under it or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subleases, subtenants or vendees in the land here in leased.

29.35 **Good Faith**. Except (i) for matters for which there is a standard of consent or discretion specifically set forth in this Lease; (ii) matters which could have an adverse effect on the Building Structure or the Building Systems, or which could affect the exterior appearance of the Building, or (iii) matters covered by Article 4 (Additional Rent), or Article 19 (Defaults; Remedies) of this Lease (collectively, the "**Excepted Matters**"), any time the consent of Landlord or Tenant is required, such consent shall not be unreasonably withheld or delayed, and, except with regard to the Excepted Matters, whenever this Lease grants Landlord or Tenant the right to take action, exercise discretion, establish rules and regulations or make an allocation or other determination, Landlord and Tenant shall act reasonably and in good faith.

29.36 **Tenant Financing**. Tenant shall be permitted to finance its personal property, equipment, facilities, fixtures, and other alterations located in the Premises. Upon Tenant's request, and at Tenant's expense, Landlord shall enter into a Landlord's waiver and consent with Tenant's lender on Landlord's standard form (subject to commercially reasonable revisions).

29.37 **Signatures**. The parties hereto consent and agree that this Lease may be signed and/or transmitted by facsimile, e-mail of a .pdf document or using electronic signature technology (e.g., via DocuSign or similar electronic signature technology), and that such signed electronic record shall be valid and as effective to bind the party so signing as a paper copy bearing such party's handwritten signature. The parties further consent and agree that (1) to the extent a party signs this Lease using electronic signature technology, by clicking "**SIGN**", such party is signing this Lease electronically, and (2) the electronic signatures appearing on this Lease shall be treated, for purposes of validity, enforceability and admissibility, the same as handwritten signatures.

[*Signatures on next page.*]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written.

LANDLORD:

PG VII 280 EAST GRAND, LLC,
a Delaware limited liability company

By: */s/ Scott Bohn*
Scott Bohn
Print Name

Its: Executive Vice President

TENANT:

ALUMIS INC.,
a Delaware corporation

By: */s/ Martin Babler*
Martin Babler
Print Name

Its: President and CEO

By: _____
Print Name

Its: _____

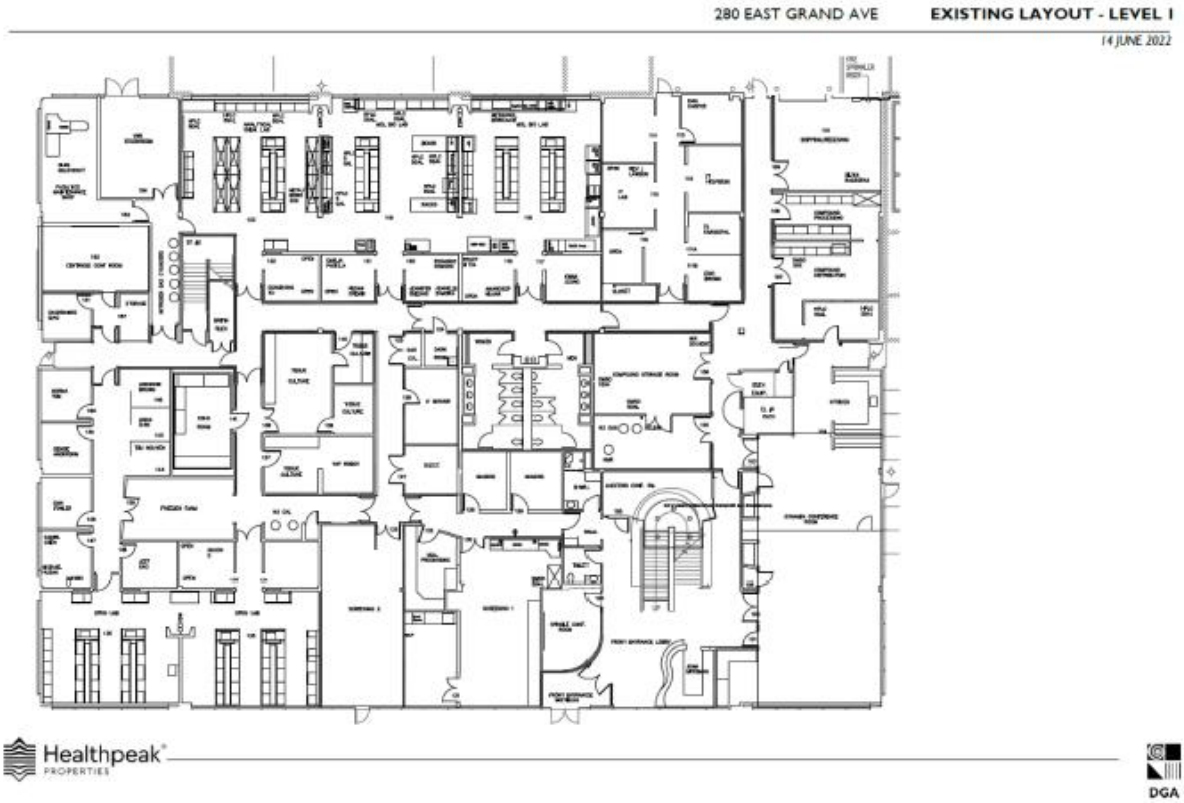
Sara Klein

John Schroer

EXHIBIT A

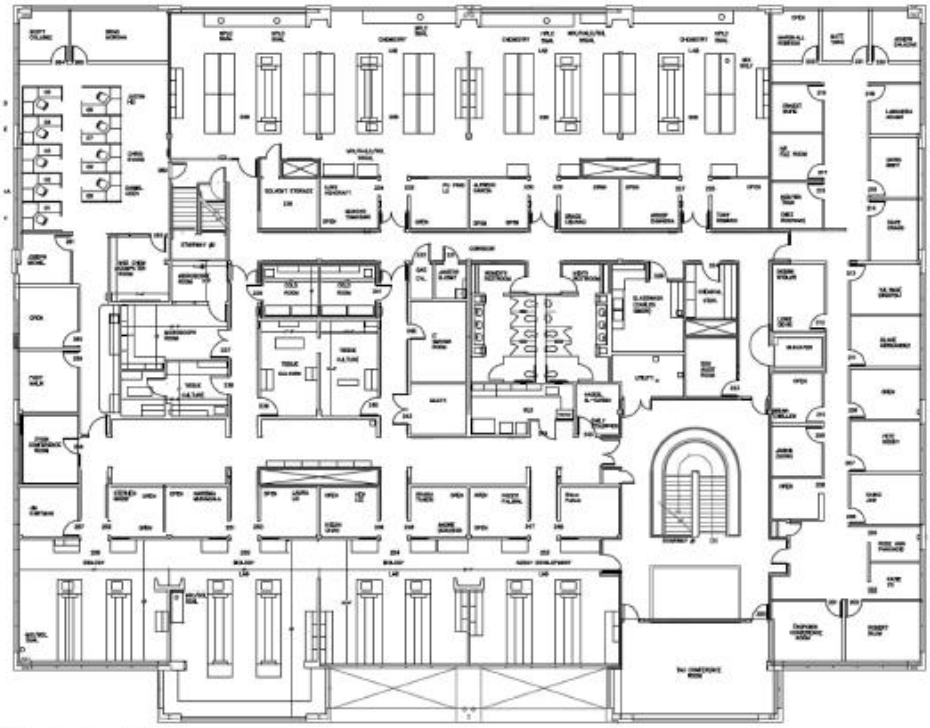
BRITANNIA POINTE GRAND LIFE SCIENCE CENTER

OUTLINE OF PREMISES



280 EAST GRAND AVE **EXISTING LAYOUT - LEVEL 2**

14 JUNE 2022



Healthpeak PROPERTIES

DGA

EXHIBIT A-1

BRITTANNIA POINTE GRAND LIFE SCIENCE CENTER

PROJECT SITE PLAN

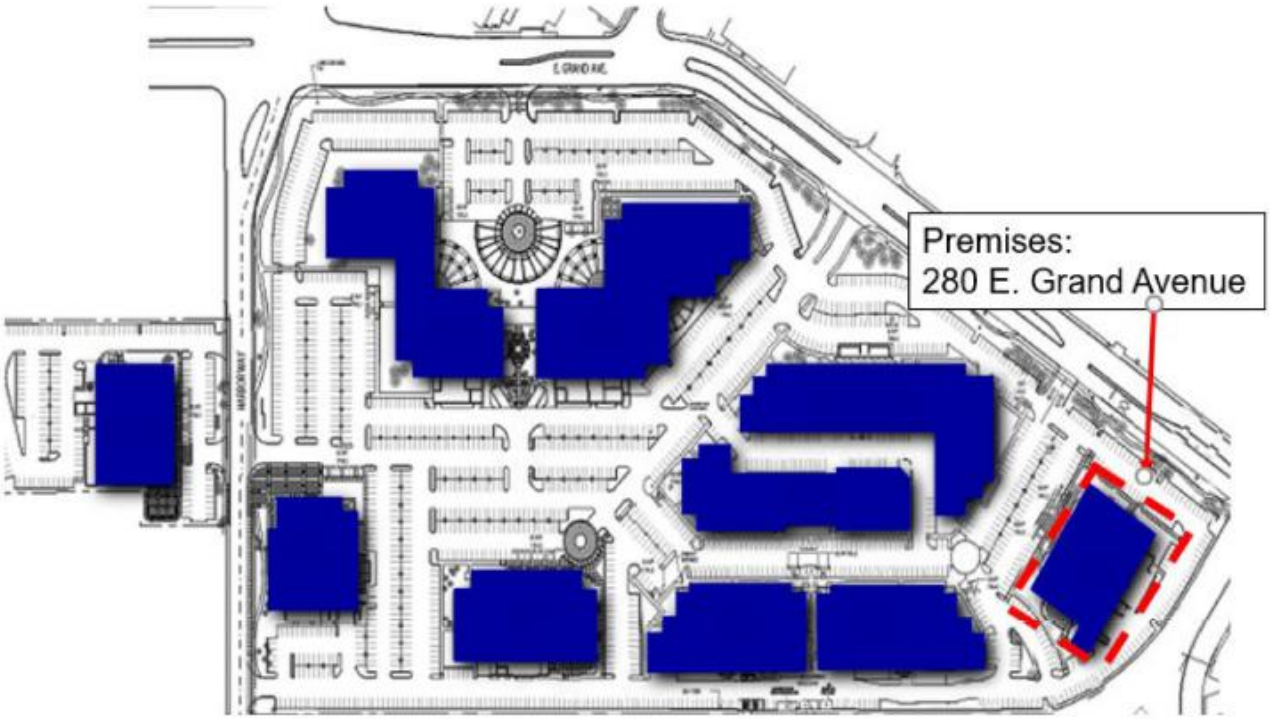


EXHIBIT B

BRITANNIA POINTE GRAND LIFE SCIENCE CENTER

TENANT WORK LETTER

1. **Defined Terms**. As used in this Tenant Work Letter, the following capitalized terms have the following meanings:

(a) **Approved TI Plans**: Plans and specifications prepared by the applicable Architect for the Tenant Improvements and approved by Landlord and Tenant in accordance with Paragraph 2 of this Tenant Work Letter, subject to further modification from time to time to the extent provided in and in accordance with such Paragraph 2.

(b) **Architect**: An independent architect selected by Landlord in its reasonable discretion, with respect to any Tenant Improvements which Landlord is to cause to be constructed pursuant to this Tenant Work Letter.

(c) **Tenant Change Request**: See definition in Paragraph 2(d)(ii) hereof.

(d) **Final TI Working Drawings**: See definition in Paragraph 2(a) hereof.

(e) **General Contractor**: An independent general contractor reasonably selected by Landlord with respect to Landlord's TI Work. Tenant shall have no right to direct or control such General Contractor.

(f) **Landlord Caused Delay**. Actual delays to the extent resulting from the acts or omissions of Landlord including, but not limited to failure of Landlord to comply with the Time Deadlines, or to otherwise timely approve or disapprove any plans or specifications as required by this Tenant Work Letter, where such delay continues for more than three (3) business days after Landlord's receipt of written notice from Tenant specifying the same.

(f) **Landlord's TI Work**: Any Tenant Improvements which Landlord is to construct or install pursuant to this Tenant Work Letter or by mutual agreement of Landlord and Tenant from time to time.

(g) **Project Manager**. Project Management Advisors, Inc., or any other project manager designated by Landlord in its reasonable discretion from time to time to act in a supervisory, oversight, project management or other similar capacity on behalf of Landlord in connection with the design and/or construction of the Tenant Improvements.

(h) **Punch List Work**: Minor corrections of construction or decoration details, and minor mechanical adjustments, that are required in order to cause any applicable portion of the Tenant Improvements as constructed to conform to the Approved Plans in all material respects and that do not materially interfere with Tenant's use or occupancy of the Building and the Premises.

(i) **Substantial Completion Certificate**: See definition in Paragraph 3(a) hereof. "**Substantially Complete**" shall mean that the Tenant Improvements have been substantially completed in accordance with this Tenant Work Letter and a Substantial Completion Certificate issued.

(j) **Tenant Delay**: Any of the following types of delay in the completion of construction of Landlord's TI Work (but in each instance, only to the extent that any of the following has actually and proximately caused substantial completion of Landlord's TI Work to be delayed):

(i) Any delay resulting from Tenant's failure to furnish, in a timely manner, information reasonably requested by Landlord or by Landlord's Project Manager in connection with the design or construction of Landlord's TI Work, or from Tenant's failure to approve in a timely manner any matters requiring approval by Tenant, where such failure continues for more than three (3) business days after Tenant's receipt of written notice from Landlord specifying same;

(ii) Any delay resulting from Tenant Change Requests initiated by Tenant, including any delay resulting from the need to revise any drawings or obtain further governmental approvals as a result of any such Tenant Change Request (unless Tenant timely abandons the Tenant Change Request upon learning of the potential delay); or

(iii) Any delay caused by Tenant (or Tenant's contractors, agents or employees) materially interfering with the performance of Landlord's TI Work, provided that Landlord shall have given Tenant prompt notice of such material interference and Tenant shall thereafter fail to remedy same within three (3) business days.

(iv) Any delay caused by Tenant's failure to comply with the Time Deadlines (including any value engineering by Tenant outside of the Value Engineering Period).

(k) **Tenant Improvements**: The improvements to or within the Building shown on the Approved Plans from time to time and to be constructed by Landlord pursuant to the Lease and this Tenant Work Letter. The term "Tenant Improvements" does not include the improvements existing in the Building and Premises at the date of execution of the Lease.

(l) **Time Deadlines**: The applicable dates for approval of items, plans and drawings as described in this Tenant Work Letter are set forth and further elaborated upon in **Schedule 1** attached hereto (the "**Time Deadlines**"), attached hereto. Tenant agrees to comply with the Time Deadlines. Applicable dates applicable to Tenant set forth in the Time Deadlines shall be extended to the extent Tenant's performance is delayed by any "Landlord Caused Delay".

(l) **Unavoidable Delays**: Delays due to acts of God, acts of public agencies, labor disputes, strikes, fires, freight embargoes, inability (despite the exercise of due diligence) to obtain supplies, materials, fuels or permits, or other causes or contingencies (excluding financial inability) beyond the reasonable control of Landlord or Tenant, as applicable.

(m) Capitalized terms not otherwise defined in this Tenant Work Letter shall have the definitions set forth in the Lease.

2. **Plans and Construction**. Landlord and Tenant shall comply with the procedures set forth in this Paragraph 2 in preparing, delivering and approving matters relating to the Tenant Improvements.

(a) **Approved Plans and Working Drawings for Tenant Improvements**. On or before the date set forth in **Schedule 1** attached hereto, Tenant shall cause to be prepared and delivered to Landlord for approval (which approval shall not be unreasonably withheld, conditioned or delayed by Landlord) proposed schematic plans and outline specifications for the Tenant Improvements. Following mutual approval of such proposed schematic plans and outline specifications by Landlord and by Tenant (as so approved, the "**Approved Schematic Plans**"), Tenant shall then cause to be prepared, promptly and diligently (assuming timely delivery by Landlord of any information and decisions required to be furnished or made by Landlord in order to permit preparation of final working drawings, all of which information and decisions Landlord will deliver promptly and with reasonable diligence), and delivered to Landlord for approval (which approval shall not be unreasonably withheld, conditioned or delayed by Landlord) final detailed working drawings and specifications for the Tenant Improvements, including (without limitation) any applicable life safety, mechanical, electrical and plumbing working drawings and final architectural drawings (collectively, "**Final TI Working Drawings**"), which Final TI Working Drawings shall substantially conform to the Approved Schematic Plans, and shall, in any event, be delivered to Landlord on or before the applicable date set forth in **Schedule 1** attached hereto. Upon receipt from Tenant of proposed schematic plans and outline specifications, proposed Final TI Working Drawings, any other plans and specifications, or any revisions or resubmittals of any of the foregoing, as applicable, Landlord shall promptly and diligently (and in all events within 10 days after receipt in the case of an initial submittal of schematic plans and outline specifications or proposed Final TI Working Drawings, and within 7 days after receipt in the case of any other plans and specifications or any revisions or resubmittals of any of the foregoing) either approve such proposed schematic plans and outline specifications or proposed Final TI Working Drawings, as applicable, or set forth in writing with particularity any changes necessary to bring the aspects of such proposed schematic plans and outline specifications or proposed Final TI Working Drawings into a form which will be reasonably acceptable to Landlord. Upon approval of the Final TI Working Drawings by Landlord and Tenant, the Final TI Working Drawings shall constitute the "**Approved TI Plans,**" superseding (to the extent of any inconsistencies) any inconsistent features of the previously existing Approved Schematic Plans.

(b) **Cost of Improvements**. "**Cost of Improvement**" shall mean, with respect to any item or component for which a cost must be determined in order to allocate such cost, or an increase in such cost, to Tenant pursuant to this Tenant Work Letter, the sum of the following (unless otherwise agreed in writing by Landlord and Tenant with respect to any specific item or component or any category of items or components): (i) all sums paid to contractors or subcontractors for labor and materials furnished in connection with construction of such item or component; (ii) all costs, expenses, payments, fees and charges (other than penalties) paid to or at the direction of any city, county or other governmental or quasi-governmental authority or agency which are required to be paid in order to obtain all necessary governmental permits, licenses, inspections and approvals relating to construction of such item or component; (iii) engineering and architectural fees for services rendered in connection with the design and construction of such item or component (including, but not limited to, the TI Architect for such item or component and an electrical engineer, mechanical engineer and civil engineer, if applicable); (iv) sales and use taxes; (v) testing and inspection costs; (vi) the cost of power, water and other utility facilities and the cost of collection and removal of debris required in connection with construction of such item or component; (vii) costs for builder's risk insurance; and (viii) all other "hard" and "soft" costs incurred in the construction of such item or component in accordance with the Approved TI Plans (if applicable) and this Tenant Work Letter; provided that the Cost of Improvements shall not include any internal or third-party costs incurred by Landlord.

(c) **Construction of Landlord's TI Work**. All bids will be opened together with Landlord selecting the general contractor to construct the Tenant Improvements. Tenant shall have the right to value engineer the proposed Tenant Improvements before the final bid is selected during the thirty (30) day period after receipt of bids (the "**Value Engineering Period**"). Any delays resulting from value engineering that occurs outside of the Value Engineering Period shall be deemed a Tenant Delay. If Tenant desires to cause the bids to be value engineered pursuant to the foregoing, Tenant shall notify Landlord within twenty-four (24) hours of receipt of Landlord's determination of the value engineered bids. Tenant shall also have the right to approve all subcontractors engaged by the General Contractor, which subcontractors shall be competitively bid and which approval shall not be unreasonably withheld, conditioned or delayed. Following completion of the Approved TI Plans, Landlord shall apply for and use reasonable efforts to obtain the necessary permits and approvals to allow construction of all Tenant Improvements. Upon receipt of such permits and approvals, Landlord shall, at Tenant's expense (subject to Landlord's payment of the Tenant Improvement Allowance), construct and complete the Tenant Improvements substantially in accordance with the Approved TI Plans, subject to Unavoidable Delays and Tenant Delays (if any). Such construction shall be performed in a neat, good and workmanlike manner and shall materially conform to all applicable laws, rules, regulations, codes, ordinances, requirements, covenants, conditions and restrictions applicable thereto in force at the time such work is completed.

(d) **Changes**.

(i) If Landlord determines at any time that changes in the Final TI Working Drawings or in any other aspect of the Approved TI Plans relating to any item of Landlord's TI Work are required as a result of applicable law or governmental requirements, or are required at the insistence of any other third party whose approval may be required with respect to the Tenant Improvements, or are required as a result of unanticipated conditions encountered in the course of construction, then Landlord shall promptly (A) advise Tenant of such circumstances and (B) at Tenant's sole cost and expense, subject to Landlord's payment of the Tenant Improvement Allowance or Additional Tenant Improvement Allowance (as applicable), cause revised Final TI Working Drawings to be prepared by the Architect and submitted to Tenant, for Tenant's information.

(ii) If Tenant at any time desires any changes, alterations or additions to the Final TI Working Drawings, Tenant shall submit a detailed written request to Landlord specifying such changes, alterations or additions (a "**Tenant Change Request**"). Upon receipt of any such request, Landlord shall promptly notify Tenant of (A) whether the matters proposed in the Tenant Change Request are approved by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed by Landlord), (B) Landlord's estimate of the number of days of delay, if any, which shall be caused in the construction of the Tenant Improvements by such Tenant Change Request if implemented (including, without limitation, delays due to the need to obtain any revised plans or drawings and any governmental approvals), and (C) Landlord's estimate of the increase, if any, which shall occur in the cost of construction of the Tenant Improvements affected by such Tenant Change Request if such Tenant Change Request is implemented (including, but not limited to, any costs of compliance with laws or governmental regulations that become applicable because of the implementation of the Tenant Change Request). If Landlord approves the Tenant Change Request and Tenant notifies Landlord in writing, within three (3) business days after receipt of such notice from Landlord, of Tenant's approval of the Tenant Change Request (including the estimated delays and cost increases, if any, described in Landlord's notice), then Landlord shall cause such Tenant Change Request to be implemented and Tenant shall be responsible for all actual costs or cost increases resulting from or attributable to the implementation of the Tenant Change Request, and any delays resulting therefrom shall be deemed to be a Tenant Delay (subject to Landlord's payment of the Tenant Improvement Allowance or Additional Tenant Improvement Allowance (as applicable)). If Tenant fails to notify Landlord in writing of Tenant's approval of such Tenant Change Request within said three (3) business day period, then such Tenant Change Request shall be deemed to be withdrawn and shall be of no further effect.

(e) **Project Management**. Unless and until revoked by Landlord by written notice delivered to Tenant, Landlord hereby (i) delegates to Project Manager the authority to exercise all approval rights, supervisory rights and other rights or powers of Landlord under this Tenant Work Letter with respect to the design and construction of the Tenant Improvements, and (ii) requests that Tenant work with Project Manager with respect to any logistical or other coordination matters arising in the course of construction of the Tenant Improvements, including monitoring Tenant's compliance with its obligations under this Tenant Work Letter and under the Lease with respect to the design and construction of the Tenant Improvements. Tenant acknowledges the foregoing delegation and request, and agrees to cooperate reasonably with Project Manager as Landlord's representative pursuant to such delegation and request. Tenant shall pay the fees and charges of Project Manager for such services at Tenant's sole expense, which may be deducted from the Tenant Improvement Allowance. Such fees shall be equal to 2.65% of the cost of any of Landlord's TI Work funded by the Tenant Improvement Allowance or any Additional Tenant Improvement Allowance, and 2% of costs of Landlord's TI Work in excess of the Tenant Improvement Allowance and Additional Tenant Improvement Allowance funded by Tenant.

3. **Completion**.

(a) When Landlord receives written certification from Architect that construction of the Tenant Improvements in the Building has been completed in accordance with the Approved TI Plans (except for Punch List Work), Landlord shall prepare and deliver to Tenant a certificate signed by both Landlord and Architect (the "**Substantial Completion Certificate**") (i) certifying that the construction of the Tenant Improvements has been substantially completed in a good and workmanlike manner in accordance with the Approved TI Plans in all material respects, subject only to completion of Punch List Work, and specifying the date of that completion, and (ii) certifying that the Tenant Improvements comply in all material respects with all laws, rules, regulations, codes, ordinances, requirements, covenants, conditions and restrictions applicable thereto at the time of such delivery. Upon receipt by Tenant of the Substantial Completion Certificate and tender of possession of the Premises by Landlord to Tenant, the Tenant Improvements will be deemed delivered to Tenant and "Ready for Occupancy" for all purposes of the Lease (subject to Landlord's continuing obligations with respect to any Punch List Work, and to any other express obligations of Landlord under the Lease or this Tenant Work Letter with respect to such Tenant Improvements, and any express warranties or obligations of Landlord provided in the Lease).

(b) Promptly following delivery of the Substantial Completion Certificate for the Tenant Improvements in the Building, Project Manager or other representatives of Landlord shall conduct one or more "walkthroughs" of the Building with Tenant and Tenant's representatives, to identify any items of Punch List Work that may require correction and to prepare a joint punch list reflecting any such items, following which Landlord shall diligently complete the Punch List Work reflected in such joint punch list. At any time within thirty (30) days after delivery of such Substantial Completion Certificate, Tenant shall be entitled to submit one or more lists to Landlord supplementing such joint punch list by specifying any additional items of Punch List Work to be performed on the applicable Tenant Improvements constituting, and upon receipt of such list(s), Landlord shall diligently complete such additional Punch List Work. The foregoing sentence shall not limit any of Landlord's express warranty or maintenance obligations in the Lease. Promptly after Landlord provides Tenant with the Substantial Completion Certificate and completes all applicable Punch List Work for the Building, Landlord shall cause the recordation of a Notice of Completion (as defined in the California Civil Code) with respect to the Tenant Improvements.

(c) All construction, product and equipment warranties and guaranties obtained by Landlord with respect to the Tenant Improvements shall, to the extent reasonably obtainable, include a provision that such warranties and guaranties shall also run to the benefit of Tenant, and Landlord shall cooperate with Tenant in a commercially reasonable manner to assist in enforcing all such warranties and guaranties for the benefit of Tenant. Landlord shall obtain, for the benefit of Tenant, all typical, industry standard manufacturer's warranties relating to the Tenant Improvements, and, if requested by and paid for by Tenant, any available extended warranties.

(d) Notwithstanding any other provisions of this Tenant Work Letter or of the Lease, if Landlord is delayed in substantially completing any of the Tenant Improvements as a result of any Tenant Delay, then the Premises shall be deemed to have been Ready for Occupancy on the date the Premises would have been Ready for Occupancy absent such Tenant Delay.

4. **Payment of Costs**.

(a) **Tenant Improvement Allowance**. Subject to any restrictions, conditions or limitations expressly set forth in this Tenant Work Letter or in the Lease or as otherwise expressly provided by mutual written agreement of Landlord and Tenant, the cost of construction of the Tenant Improvements shall be paid or reimbursed by Landlord up to a maximum amount set forth in Section 5 of the Summary to the Lease (the "**Tenant Improvement Allowance**"), which amount is being made available by Landlord to be applied towards the Cost of Improvements for the construction of the Tenant Improvements in the Premises, less any reduction in or charge against such amount pursuant to any applicable provisions of the Lease or of this Tenant Work Letter. Tenant shall be responsible, at its sole cost and expense, for payment of the entire Cost of Improvements of the Tenant Improvements in excess of the Tenant Improvement Allowance, including (but not limited to) any costs or cost increases incurred as a result of Tenant Delays, governmental requirements or unanticipated conditions (unless caused by Landlord, and provided that Landlord shall use commercially reasonable efforts to mitigate the cost and timing impact of any of the foregoing), and for payment of any and all costs and expenses relating to any alterations, additions, improvements, furniture, furnishings, equipment, fixtures and personal property items which are not eligible for application of Tenant Improvement Allowance funds under the restrictions expressly set forth below in this paragraph, but Tenant shall be entitled to use or apply the entire Tenant Improvement Allowance toward the Cost of Improvements of the Tenant Improvements (subject to any applicable restrictions, conditions, limitations, reductions or charges set forth in the Lease or in this Tenant Work Letter) prior to being required to expend any of Tenant's own funds for the Tenant Improvements. The funding of the Tenant Improvement Allowance shall be made on a monthly basis or at other convenient intervals mutually approved by Landlord and Tenant and in all other respects shall be based on such commercially reasonable disbursement conditions and procedures as Landlord, Project Manager and Landlord's lender (if any) may reasonably prescribe. Notwithstanding the foregoing provisions, under no circumstances shall the Tenant Improvement Allowance or any portion thereof be used or useable by Tenant for any moving or relocation expenses of Tenant, or for any Cost of Improvement (or any other cost or expense) associated with any moveable furniture or trade fixtures, personal property or any other item or element which, under the applicable provisions of the Lease, will not become Landlord's property and remain with the Building upon expiration or termination of the Lease.

(b) **Additional Tenant Improvement Allowance**. In addition to the Tenant Improvement Allowance, Tenant shall have the right to use the "Additional Tenant Improvement Allowance", as defined in Section 5 of the Summary of the Lease, towards the payment of the costs of the Tenant Improvement Allowance Items. If Tenant desires to use any portion of the Additional Tenant Improvement Allowance, Tenant shall deliver written notice thereof to Landlord. In the event Tenant exercises its right to use all or any portion of the Additional Tenant Improvement Allowance, Tenant shall repay the Additional Tenant Improvement Allowance in equal monthly installments concurrent with Tenant's payment of the monthly Base Rent for the Premises in an amount equal to the "Additional Allowance Monthly Rent," as that term is defined below, in order to repay the Additional Tenant Improvement Allowance to Landlord. The "**Additional Allowance Monthly Rent**" shall be repaid to Landlord as Additional Rent in equal monthly installments throughout the remainder of the initial Lease Term, commencing on the first day of the first full calendar month following the date the Additional Allowance is disbursed to Tenant, at an interest rate equal to eight percent (8%) per annum (the "**Additional Allowance Monthly Payment**") until repaid in full. Following the final determination of the Additional Allowance Monthly Rent, Landlord and Tenant will enter into an amendment to the Lease documenting such amount and Tenant's obligation to pay the same.

5. **No Agency**. Nothing contained in this Tenant Work Letter shall make or constitute Tenant as the agent of Landlord.

6. **Tenant Access**. Provided that Tenant and its agents do not interfere with Contractor's work in the Building and the Premises, Contractor shall allow Tenant access to the Premises approximately thirty (30) days prior to the Substantial Completion of the Landlord's TI Work for the purpose of Tenant installing equipment or fixtures (including Tenant's data and telephone equipment) in the Premises and doing business. Prior to Tenant's entry into the Premises as permitted by the terms of this Section 6, Tenant shall submit a schedule to Landlord and Contractor, for their approval, which schedule shall detail the timing and purpose of Tenant's entry. Tenant shall be responsible for the costs of any utilities associated with Tenant's access to the Premises prior to the Lease Commencement Date. Tenant shall hold Landlord harmless from and indemnify, protect and defend Landlord against any loss or damage to the Building or Premises and against injury to any persons caused by Tenant's actions pursuant to this Section 6.

7. **Miscellaneous**. All references in this Tenant Work Letter to a number of days shall be construed to refer to calendar days, unless otherwise specified herein. In all instances where Landlord's or Tenant's approval is required, if no written notice of disapproval is given within the applicable time period, at the end of that period Landlord or Tenant shall be deemed to have given approval (unless the provision requiring Landlord's or Tenant's approval expressly states that non-response is deemed to be a disapproval or withdrawal of the pending action or request, in which event such express statement shall be controlling over the general statement set forth in this sentence) and the next succeeding time period shall commence. If any item requiring approval is disapproved by Landlord or Tenant (as applicable) in a timely manner, the procedure for preparation of that item and approval shall be repeated.

8. **Compliance with Time Deadlines**. Tenant shall use commercially reasonable, good faith, efforts and all due diligence to cooperate with the Architect, General Contractor and Landlord to complete all phases of the construction drawings set forth in this Tenant Work Letter and the permitting process and to receive the permits as soon as possible after the execution of this Lease. Tenant and Landlord agree to utilize commercially reasonable efforts to comply with the Time Deadlines. Time is of the essence with respect to each of Tenant's and Landlord's obligations pursuant to this Work Letter.

SCHEDULE 1 TO EXHIBIT B
TIME DEADLINES

Tenant Improvement Milestone Schedule

08/15/2022	Start of SD
09/15/2022	Tenant Approval of SD Package (comments on SD due to DGA)
09/15/2022	Tenant Submission of Final Equipment List
09/15/2022	Tenant Submission of Draft HMIS List
10/21/2022	Distribution of DD Package to Tenant for Review/Approval and to GC for budget update
10/25/2022	Tenant Approval of DD Package (comments on DD due to DGA)
10/25/2022	Tenant Submission of Final HMIS List
11/1/2022 – 12/1/22	Value Engineering duration placeholder based on GC budget; if Tenant elects to value engineer during the Value Engineering Period as provided in Section 2(c) of the Tenant Work Letter, then all dates below will be extended by 30 days
12/06/2022	Submission of IFP Package to South San Francisco (Final Working Drawings)
12/062022	Tenant Review of IFF Package (develop comments for Page Turn)
Early Week of 12/19/2022	Page Turn (Ext OAC – date TBD) Pick-up final Alumis comments from IFP review
01/16/2023	Anticipated Start of Construction (32 weeks)
02/27/2023	Anticipated Receipt of Permit from South San Francisco
08/21/2023	Anticipated Substantial Completion (9/21/23 if Tenant elects to value engineer during the Value Engineering Period as provided in Section 2(c) of the Tenant Work Letter)

The dates in this document, including the "Anticipated Substantial Completion" are anticipated - based on the current understanding of the project scope – and could change subject to Tenant-requested Value Engineering, Tenant Change Requests, and/or other Tenant Delays. Permitting durations are estimated and subject to the responsiveness of the City of South San Francisco. We will continue to track progress toward these milestones and provide updates to Alumis.

EXHIBIT C

BRITANNIA POINTE GRAND LIFE SCIENCE CENTER

NOTICE OF LEASE TERM DATES

To: _____
_____
_____
_____

Re: Lease dated_____,20__between_____, a _____ ("**Landlord**"), and _____, a_____("**Tenant**") concerning Suite _____on floor(s) _____of the building located at _____, California.

Gentlemen:

In accordance with the Lease (the "**Lease**"), we wish to advise you and/or confirm as follows:

1. The Lease Term shall commence on or has commenced on _____ for a term of _____ ending on _____.

2. Rent commenced to accrue on _____, in the amount of _____.

3. If the Lease Commencement Date is other than the first day of the month, the first billing will contain a pro rata adjustment. Each billing thereafter, with the exception of the final billing, shall be for the full amount of the monthly installment as provided for in the Lease.

4. Your rent checks should be made payable to _____ at _____.

"Landlord":

_____
a _____

By: _____
Its: _____

Agreed to and Accepted as
of _____, 200_.

"Tenant":

_____
a _____

By: _____
Its: _____

EXHIBIT D

BRITANNIA POINTE GRAND LIFE SCIENCE CENTER

FORM OF TENANT'S ESTOPPEL CERTIFICATE

The undersigned as Tenant under that certain Lease (the "**Lease**") made and entered into as of _____, 20__ by and between _____ as Landlord, and the undersigned as Tenant, for Premises consisting of the entire office building located at _____, California, certifies as follows:

1. Attached hereto as **Exhibit A** is a true and correct copy of the Lease and all amendments and modifications thereto. The documents contained in **Exhibit A** represent the entire agreement between the parties as to the Premises.

2. The undersigned currently occupies the Premises described in the Lease, the Lease Term commenced on _____, and the Lease Term expires on _____, and the undersigned has no option to terminate or cancel the Lease or to purchase all or any part of the Premises, the Building and/or the Project.

3. Base Rent became payable on _____.

4. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in **Exhibit A**.

5. Tenant has not transferred, assigned, or sublet any portion of the Premises nor entered into any license or concession agreements with respect thereto except as follows:

6. All monthly installments of Base Rent, all Additional Rent and all monthly installments of estimated Additional Rent have been paid when due through _____. The current monthly installment of Base Rent is $_____.

7. All conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and Landlord is not in default thereunder. In addition, the undersigned has not delivered any notice to Landlord regarding a default by Landlord thereunder. The Lease does not require Landlord to provide any rental concessions or to pay any leasing brokerage commissions, which have not already been provided or paid.

8. No rental has been paid more than thirty (30) days in advance and no security has been deposited with Landlord except as provided in the Lease. Neither Landlord, nor its successors or assigns, shall in any event be liable or responsible for, or with respect to, the retention, application and/or return to Tenant of any security deposit paid to any prior landlord of the Premises, whether or not still held by any such prior landlord, unless and until the party from whom the security deposit is being sought, whether it be a lender, or any of its successors or assigns, has actually received for its own account, as landlord, such security deposit.

9. As of the date hereof, there are no existing defenses or offsets, or, to the undersigned's knowledge, claims or any basis for a claim, that the undersigned has against Landlord.

10. Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in California and that Tenant has full right and authority to execute and deliver this Estoppel Certificate and that each person signing on behalf of Tenant is authorized to do so.

11. To the undersigned's knowledge, there are no actions pending against the undersigned under the bankruptcy or similar laws of the United States or any state.

12. To the undersigned's knowledge, Tenant is in full compliance with all federal, state and local laws, ordinances, rules and regulations affecting its use of the Premises, including, but not limited to, those laws, ordinances, rules or regulations relating to hazardous or toxic materials. Tenant has never permitted or suffered, nor does Tenant have any knowledge of, the generation, manufacture, treatment, use, storage, disposal or discharge of any hazardous, toxic or dangerous waste, substance or material in, on, under or about the Project or the Premises or any adjacent premises or property in violation of any federal, state or local law, ordinance, rule or regulation.

13. To the undersigned's knowledge, all tenant improvement work to be performed by Landlord under the Lease has been completed in accordance with the Lease and has been accepted by the undersigned and all reimbursements and allowances due to the undersigned under the Lease in connection with any tenant improvement work have been paid in full. All work (if any) in the common areas required by the Lease to be completed by Landlord has been completed and all parking spaces required by the Lease have been furnished and/or all parking ratios required by the Lease have been met.

The undersigned acknowledges that this Estoppel Certificate may be delivered to Landlord or to a prospective mortgagee or prospective purchaser, and acknowledges that said prospective mortgagee or prospective purchaser will be relying upon the statements contained herein in making the loan or acquiring the property of which the Premises are a part and that receipt by it of this certificate is a condition of making such loan or acquiring such property.

Executed at _____ on the ____ day of _____, 200_.

"Tenant":

_____

a _____

By: _____

Its: _____

By: _____

Its: _____

EXHIBIT E

BRITANNIA POINTE GRAND LIFE SCIENCE CENTER

ENVIRONMENTAL QUESTIONNAIRE

ENVIRONMENTAL QUESTIONNAIRE
FOR COMMERCIAL AND INDUSTRIAL PROPERTIES

Tenant Name: _____

Lease Address: _____

Lease Type (check correct box – *right click to properties*): ☐ **Primary Lease/Lessee**
☐ **Sublease from:** _____

Instructions: The following questionnaire is to be completed by the Lessee representative with knowledge of the planned operations for the specified building/location. Please print clearly and attach additional sheets as necessary.

1.0 PROCESS INFORMATION

Describe planned site use, including a brief description of manufacturing processes and/or pilot plants planned for this site, if any.

_____

_____

_____

2.0 HAZARDOUS MATERIALS – OTHER THAN WASTE

Will (or are) non-waste hazardous materials be/being used or stored at this site? If so, continue with the next question. If not, go to Section 3.0.

2.1 Are any of the following materials handled on the Property? ☐ Yes ☐ No

[*A material is handled if it is used, generated, processed, produced, packaged, treated, stored, emitted, discharged, or disposed.*] If YES, check *(right click to properties)* the applicable correct Fire Code hazard categories below.

☐	Combustible dusts/fibers	☐	Explosives	☐	Flammable liquids
☐	Combustible liquids (e.g., oils)	☐	Compressed gas - inert	☐	Flammable solids/pyrophorics
☐	Cryogenic liquids – inert	☐	Compressed gas - flammable/pyrophoric	☐	Organic peroxides
☐	Cryogenic liquids - flammable	☐	Compressed gas - oxidizing	☐	Oxidizers - solid or liquid
☐	Cryogenic liquids - oxidizing	☐	Compressed gas - toxic	☐	Reactives - unstable or water reactive
☐	Corrosives - solid or liquid	☐	Compressed gas - corrosive	☐	Toxics - solid or liquid

2-2. For all materials checked in Section 2.1 above, please list the specific material(s), use(s), and quantities of each used or stored on the site in the table below; or attach a separate inventory. *NOTE: If proprietary, the constituents need not be named but the hazard information and volumes are required.*

Material/ Chemical	Physical State (Solid, Liquid, or Gas)	Container Size	Number of Containers Used & Stored	Total Quantity	Units (pounds for solids, gallons or liters for liquids, & _____

2-3. Describe the planned storage area location(s) for the materials in Section 2-2 above. Include site maps and drawings as appropriate.

2-4. Other hazardous materials. Check below (*right click to properties*) if applicable. *NOTE: If either of the latter two are checked (BSL-3 and/or radioisotope/radiation), be advised that not all lease locations/cities or lease agreements allow these hazards; and if either of these hazards are planned, additional information will be required with copies of oversight agency authorizations/licenses as they become available.*

☐	Risk Group 2/Biosafety Level-2 Biohazards	☐	Risk Group 3/Biosafety Level-3 Biohazards	☐	Radioisotopes/Radiation

3.0 HAZARDOUS WASTE (i.e., REGULATED CHEMICAL WASTE)

Are (or will) hazardous waste (be) generated? ☐ Yes ☐ No

If YES, continue with the next question. If not, skip this section and go to section 4.0.

3.1. Are or will any of the following hazardous (CHEMICAL) wastes generated, handled, or disposed of (where applicable and allowed) on the property?

☐	Liquids	☐	Process sludges	☐	PCBs
☐	Solids	☐	Metals	☐	wastewater

3-2. List and estimate the quantities of hazardous waste identified in Question 3-1 above.

HAZARDOUS (CHEMICAL) WASTE GENERATED	SOURCE	WASTE TYPE		APPROX. MONTHLY QUANTITY with units	DISPOSITION [e.g., off-site landfill, incineration, fuel blending scrap metal; wastewater neutralization (onsite or off-site)]
		RCRA listed (federal)	Non-RCRA (Calif-ornia ONLY or recycle)		
		☐	☐		
		☐	☐		
		☐	☐		
		☐	☐		
		☐	☐		

3-3. Waste characterization by: Process knowledge ☐ EPA lab analysis ☐ Both ☐

3-4. Please include name, location, and permit number (e.g. EPA ID No.) for transporter and disposal facility if applicable. Attach separate pages as necessary. *If not yet known, write "TBD."*

Hazardous Waste Transportation/Disposal Facility Name	Facility Location	Transporter (T) or Disposal (D) Facility	Permit Number

3-5. Are pollution controls or monitoring employed in the process to prevent or minimize the release of wastes into the environment? *NOTE: This does NOT mean fume hoods; examples include air scrubbers, cyclones, carbon or HEPA filters at building exhaust fans, sedimentation tanks, pH neutralization systems for wastewater, etc.*

☐ Yes ☐ No
If YES, please list/describe: _____

4.0 OTHER REGULATED WASTE (i.e., REGULATED BIOLOGICAL WASTE, referred to as "Medical Waste" in California)

4-1. Will (or do) you generate medical waste☐ Yes ☐ No, skip to Section 5.0.

4-2. Check the types of waste that will be generated, all of which fall under the California Medical Waste Act:

☐	Contaminated sharps (i.e., if contaminated with ≥ Risk Group 2 materials)	☐	Animal carcasses	☐	Pathology waste known or suspected to be contaminated with ≥ Risk Group 2 pathogens)
☐	Red bag biohazardous waste (i.e., with ≥ Risk Group 2 materials) for autoclaving	☐	Human or non-human primate blood, tissues, etc. (e.g., clinical specimens)	☐	Trace Chemotherapeutic Waste and/or Pharmaceutical waste NOT otherwise regulated as RCRA chemical waste

4-3. What vendor will be used for off-site autoclaving and/or incineration?

_____

4-5. Do you have a Medical Waste Permit for this site? ☐ Yes ☐ No, not required.
☐ No, but an application will be submitted.

5.0 UNDERGROUND STORAGE TANKS (USTS) & ABOVEGROUND STORAGE TANKS (ASTS)

5-1. Are underground storage tanks (USTs), aboveground storage tanks (ASTs), or associated pipelines used for the storage of petroleum products, chemicals, or liquid wastes present on site (lease renewals) or required for planned operations (new tenants)? ☐ Yes ☐ No

NOTE: If you will have your own diesel emergency power generator, then you will have at least one AST! [NOTE: If a backup generator services multiple tenants, then the landlord usually handles the permits.]

If NO, skip to section 6.0. If YES, please describe capacity, contents, age, type of the USTs or ASTs, as well any associated leak detection/spill prevention measures. Please attach additional pages if necessary.

UST or AST	Capacity (gallons)	Contents	Year Installed	Type (Steel, Fiberglass, etc.)	Associated Leak Detection / Spill Prevention Measures*

*NOTE: The following are examples of leak detection / spill prevention measures: integrity testing, inventory reconciliation, leak detection system, overfill spill protection, secondary containment, cathodic protection.

5-2. Please provide copies of written tank integrity test results and/or monitoring documentation, if available.

5-3. Is the UST/AST registered and permitted with the appropriate regulatory agencies? ☐Yes ☐No, not yet

If YES, please attach a copy of the required permit(s). *See Section 7-1 for the oversight agencies that issue permits, with the exception of those for diesel emergency power generators which are permitted by the local Air Quality District (Bay Area Air Quality Management District = BAAQMD; or San Diego Air Pollution Control District = San Diego APCD).*

5-4. If this Questionnaire is being completed for a lease renewal, and if any of the USTs/ASTs have leaked, please state the substance released, the media(s) impacted (e.g., soil, water, asphalt, etc.), the actions taken, and all remedial responses to the incident.

_____

_____

_____

5-5. If this Questionnaire is being completed for a lease renewal, have USTs/ASTs been removed from the Property?

☐Yes ☐No

If YES, please provide any official closure letters or reports and supporting documentation (e.g., analytical test results, remediation report results, etc.).

5-6. For Lease renewals, are there any above or below ground pipelines on site used to transfer chemicals or wastes?

☐Yes ☐No

For new tenants, are installations of this type required for the planned operations? ☐Yes ☐No

If YES to either question in this section 5-6, please describe.

_____

_____

_____

6.0 ASBESTOS CONTAINING BUILDING MATERIALS

Please be advised that an asbestos survey may have been performed at the Property. If provided, please review the information that identifies the locations of known asbestos containing material or presumed asbestos containing material. All personnel and appropriate subcontractors should be notified of the presence of these materials, and informed not to disturb these materials. Any activity that involves the disturbance or removal of these materials must be done by an appropriately trained individual/contractor.

7.0 OTHER REGULATORY PERMITS/REQUIREMENTS

7-1. Does the operation have or require an industrial wastewater permit to discharge into the local National Pollutant Discharge Elimination System (NPDES)? *[Example: This applies when wastewater from equipment cleaning is routed through a pH neutralization system prior to discharge into the sanitary or lab sewer for certain pharmaceutical manufacturing wastewater; etc.]* Permits are obtained from the regional sanitation district that is treating wastewater.

☐Yes ☐No ☐No, but one will be prepared and submitted to the Landlord property management company.

If so, please attach a copy of this permit or provide it later when it has been prepared.

7-2. Has a Hazardous Materials Business Plan (HMBP) been developed for the site and submitted via the State of California Electronic Reporting System (CERS)? *[NOTE: The trigger limits for having to do this are ≥ 200 cubic feet if any one type of compressed gas(except for carbon dioxide and inert simple asphyxiant gases, which have a higher trigger limit of ≥ 1,000 cubic feet); ≥ 55 gallons if any one type of hazardous chemical liquid; and ≥500 pounds of any one type of hazardous chemical solid. So a full-sixe gas cylinder and a 260-liter of liquid nitrogen are triggers! Don't forget the diesel fuel in a backup emergency generator if the diesel tank size is ≥ 55 gallons and it is permitted under the tenant (rather than under the landlord).]* NOTE: Each local Certified Unified Program Agency (CUPA) in California governs the HMBP process so start there. Examples: the CUPA for cities in San Mateo County is the County Environmental Health Department; the CUPA for the City of Hayward, CA is the Hayward Fire Department; the CUPA for Mountain View is the Mountain View Fire Department; and, the CUPA for San Diego is the County of San Diego Hazardous Materials Division (HMD),

☐Yes ☐No, not required. ☐No, but one will be prepared and submitted, and a copy will be provided to the landlord property management company.

If one has been completed, please attach a copy. Continue to provide updated versions as they are completed. This is a legal requirement in that State law requires that the owner/operator of a business located on leased or rented real property shall notify, in writing, the owner of the property that the business is subject to and is in compliance with the Hazardous Materials Business Plan requirements (Health and Safety Code Chapter 6.95 Section 25505.1).

7-3. NOTE: Please be advised that if you are involved in any tenant improvements that require a construction permit, you will be asked to provide the local city with a Hazardous Materials Inventory Statement (HMIS) to ensure that your hazardous chemicals fall within the applicable Fire Code fire control area limits for the applicable construction occupancy of the particular building. The HMIS will include much of the information listed in Section 2-2. Neither the landlord nor the landlord's property management company expressly warrants that the inventory provided in Section 2-2 will necessarily meet the applicable California Fire Code fire control area limits for building occupancy, especially in shared tenant occupancy situations. It is the responsibility of the tenant to ensure that a facility and site can legally handle the intended operations and hazardous materials desired/ needed for its operations, but the landlord is happy to assist in this determination when possible.

CERTIFICATION

I am familiar with the real property described in this questionnaire. By signing below, I represent and warrant that the answers to the above questions are complete and accurate to the best of my knowledge. I also understand that Lessor will rely on the completeness and accuracy of my answers in assessing any environmental liability risks associated with the property.

Signature: _____

Name: _____

Title: _____

Date: _____

Telephone: _____

EXHIBIT F

BRITANNIA POINTE GRAND LIFE SCIENCE CENTER

FORM OF LETTER OF CREDIT

(Letterhead of a money center bank acceptable to the Landlord)

FAX NO. [(___) ___-____]
SWIFT: [Insert No., if any]

[Insert Bank Name And Address]

DATE OF ISSUE: _____

BENEFICIARY:
[Insert Beneficiary Name And Address]

APPLICANT:
[Insert Applicant Name And Address]

LETTER OF CREDIT NO. _____

EXPIRATION DATE:
_____ AT OUR COUNTERS

AMOUNT AVAILABLE:
USD[Insert Dollar Amount]
(U.S. DOLLARS [Insert Dollar Amount]

LADIES AND GENTLEMEN:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO._____ IN YOUR FAVOR FOR THE ACCOUNT OF [Insert Tenant's Name], A [Insert Entity Type], UP TO THE AGGREGATE AMOUNT OF USD[Insert Dollar Amount] ([Insert Dollar Amount] U.S. DOLLARS) EFFECTIVE IMMEDIATELY AND EXPIRING ON (Expiration Date) AVAILABLE BY PAYMENT UPON PRESENTATION OF YOUR DRAFT AT SIGHT DRAWN ON [Insert Bank Name] WHEN ACCOMPANIED BY THE FOLLOWING DOCUMENT(S):

1. THE ORIGINAL OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND AMENDMENT(S), IF ANY.

2. BENEFICIARY'S SIGNED STATEMENT PURPORTEDLY SIGNED BY AN AUTHORIZED REPRESENTATIVE OF [Insert Landlord's Name], A [Insert Entity Type] ("LANDLORD") STATING THE FOLLOWING:

"THE UNDERSIGNED HEREBY CERTIFIES THAT THE LANDLORD, EITHER (A) UNDER THE LEASE (DEFINED BELOW), OR (B) AS A RESULT OF THE TERMINATION OF SUCH LEASE, HAS THE RIGHT TO DRAW DOWN THE AMOUNT OF USD _____ IN ACCORDANCE WITH THE TERMS OF THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS AMENDED (COLLECTIVELY, THE "LEASE"), OR SUCH AMOUNT CONSTITUTES DAMAGES OWING BY THE TENANT TO BENEFICIARY RESULTING FROM THE BREACH OF SUCH LEASE BY THE TENANT THEREUNDER, OR THE TERMINATION OF SUCH LEASE, AND SUCH AMOUNT REMAINS UNPAID AT THE TIME OF THIS DRAWING."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT WE HAVE RECEIVED A WRITTEN NOTICE OF [Insert Bank Name]'S ELECTION NOT TO EXTEND ITS STANDBY LETTER OF CREDIT NO. _____ AND HAVE NOT RECEIVED A REPLACEMENT LETTER OF CREDIT WITHIN AT LEAST SIXTY (60) DAYS PRIOR TO THE PRESENT EXPIRATION DATE."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. _____ AS THE RESULT OF THE FILING OF A VOLUNTARY PETITION UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE BY THE TENANT UNDER THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS AMENDED (COLLECTIVELY, THE "LEASE"), WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. _____ AS THE RESULT OF AN INVOLUNTARY PETITION HAVING BEEN FILED UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE AGAINST THE TENANT UNDER THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS AMENDED (COLLECTIVELY, THE "LEASE"), WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO._____ AS THE RESULT OF THE REJECTION, OR DEEMED REJECTION, OF THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS AMENDED, UNDER SECTION 365 OF THE U.S. BANKRUPTCY CODE."

SPECIAL CONDITIONS:

PARTIAL DRAWINGS AND MULTIPLE PRESENTATIONS MAY BE MADE UNDER THIS STANDBY LETTER OF CREDIT, PROVIDED, HOWEVER, THAT EACH SUCH DEMAND THAT IS PAID BY US SHALL REDUCE THE AMOUNT AVAILABLE UNDER THIS STANDBY LETTER OF CREDIT.

ALL INFORMATION REQUIRED WHETHER INDICATED BY BLANKS, BRACKETS OR OTHERWISE, MUST BE COMPLETED AT THE TIME OF DRAWING. [Please Provide The Required Forms For Review, And Attach As Schedules To The Letter Of Credit.]

ALL SIGNATURES MUST BE MANUALLY EXECUTED IN ORIGINALS.

ALL BANKING CHARGES ARE FOR THE APPLICANT'S ACCOUNT.

IT IS A CONDITION OF THIS STANDBY LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR A PERIOD OF ONE YEAR FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO THE EXPIRATION DATE WE SEND YOU NOTICE BY NATIONALLY RECOGNIZED OVERNIGHT COURIER SERVICE THAT WE ELECT NOT TO EXTEND THIS LETTER OF CREDIT FOR ANY SUCH ADDITIONAL PERIOD. SAID NOTICE WILL BE SENT TO THE ADDRESS INDICATED ABOVE, UNLESS A CHANGE OF ADDRESS IS OTHERWISE NOTIFIED BY YOU TO US IN WRITING BY RECEIPTED MAIL OR COURIER. ANY NOTICE TO US WILL BE DEEMED EFFECTIVE ONLY UPON ACTUAL RECEIPT BY US AT OUR DESIGNATED OFFICE. IN NO EVENT, AND WITHOUT FURTHER NOTICE FROM OURSELVES, SHALL THE EXPIRATION DATE BE EXTENDED BEYOND A FINAL EXPIRATION DATE OF __(120 days from the Lease Expiration Date).

THIS LETTER OF CREDIT MAY BE TRANSFERRED SUCCESSIVELY IN WHOLE OR IN PART ONLY UP TO THE THEN AVAILABLE AMOUNT IN FAVOR OF A NOMINATED TRANSFEREE ("TRANSFEREE"), ASSUMING SUCH TRANSFER TO SUCH TRANSFEREE IS IN COMPLIANCE WITH ALL APPLICABLE U.S. LAWS AND REGULATIONS. AT THE TIME OF TRANSFER, THE ORIGINAL LETTER OF CREDIT AND ORIGINAL AMENDMENT(S) IF ANY, MUST BE SURRENDERED TO US TOGETHER WITH OUR TRANSFER FORM (AVAILABLE UPON REQUEST) AND PAYMENT OF OUR CUSTOMARY TRANSFER FEES, WHICH FEES SHALL BE PAYABLE BY APPLICANT (PROVIDED THAT BENEFICIARY MAY, BUT SHALL NOT BE OBLIGATED TO, PAY SUCH FEES TO US ON BEHALF OF APPLICANT, AND SEEK REIMBURSEMENT THEREOF FROM APPLICANT). IN CASE OF ANY TRANSFER UNDER THIS LETTER OF CREDIT, THE DRAFT AND ANY REQUIRED STATEMENT MUST BE EXECUTED BY THE TRANSFEREE AND WHERE THE BENEFICIARY'S NAME APPEARS WITHIN THIS STANDBY LETTER OF CREDIT, THE TRANSFEREE'S NAME IS AUTOMATICALLY SUBSTITUTED THEREFOR.

ALL DRAFTS REQUIRED UNDER THIS STANDBY LETTER OF CREDIT MUST BE MARKED: "DRAWN UNDER [Insert Bank Name] STANDBY LETTER OF CREDIT NO. _____."

WE HEREBY AGREE WITH YOU THAT IF DRAFTS ARE PRESENTED TO [Insert Bank Name] UNDER THIS LETTER OF CREDIT AT OR PRIOR TO [Insert Time – (e.g., 11:00 AM)], ON A BUSINESS DAY, AND PROVIDED THAT SUCH DRAFTS PRESENTED CONFORM TO THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE INITIATED BY US IN IMMEDIATELY AVAILABLE FUNDS BY OUR CLOSE OF BUSINESS ON THE SUCCEEDING BUSINESS DAY. IF DRAFTS ARE PRESENTED TO [Insert Bank Name] UNDER THIS LETTER OF CREDIT AFTER [Insert Time – (*e.g.*, 11:00 AM)], ON A BUSINESS DAY, AND PROVIDED THAT SUCH DRAFTS CONFORM WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE INITIATED BY US IN IMMEDIATELY AVAILABLE FUNDS BY OUR CLOSE OF BUSINESS ON THE SECOND SUCCEEDING BUSINESS DAY. AS USED IN THIS LETTER OF CREDIT, "BUSINESS DAY" SHALL MEAN ANY DAY OTHER THAN A SATURDAY, SUNDAY OR A DAY ON WHICH BANKING INSTITUTIONS IN THE STATE OF CALIFORNIA ARE AUTHORIZED OR REQUIRED BY LAW TO CLOSE. IF THE EXPIRATION DATE FOR THIS LETTER OF CREDIT SHALL EVER FALL ON A DAY WHICH IS NOT A BUSINESS DAY THEN SUCH EXPIRATION DATE SHALL AUTOMATICALLY BE EXTENDED TO THE DATE WHICH IS THE NEXT BUSINESS DAY.

PRESENTATION OF A DRAWING UNDER THIS LETTER OF CREDIT MAY BE MADE ON OR PRIOR TO THE THEN CURRENT EXPIRATION DATE HEREOF BY HAND DELIVERY, COURIER SERVICE, OVERNIGHT MAIL, OR FACSIMILE. PRESENTATION BY FACSIMILE TRANSMISSION SHALL BE BY TRANSMISSION OF THE ABOVE REQUIRED SIGHT DRAFT DRAWN ON US TOGETHER WITH THIS LETTER OF CREDIT TO OUR FACSIMILE NUMBER, [Insert Fax Number – (____) ____-_____], ATTENTION: [Insert Appropriate Recipient], WITH TELEPHONIC CONFIRMATION OF OUR RECEIPT OF SUCH FACSIMILE TRANSMISSION AT OUR TELEPHONE NUMBER [Insert Telephone Number – (____) ____-_____] OR TO SUCH OTHER FACSIMILE OR TELEPHONE NUMBERS, AS TO WHICH YOU HAVE RECEIVED WRITTEN NOTICE FROM US AS BEING THE APPLICABLE SUCH NUMBER. WE AGREE TO NOTIFY YOU IN WRITING, BY NATIONALLY RECOGNIZED OVERNIGHT COURIER SERVICE, OF ANY CHANGE IN SUCH DIRECTION. ANY FACSIMILE PRESENTATION PURSUANT TO THIS PARAGRAPH SHALL ALSO STATE THEREON THAT THE ORIGINAL OF SUCH SIGHT DRAFT AND LETTER OF CREDIT ARE BEING REMITTED, FOR DELIVERY ON THE NEXT BUSINESS DAY, TO [Insert Bank Name] AT THE APPLICABLE ADDRESS FOR PRESENTMENT PURSUANT TO THE PARAGRAPH FOLLOWING THIS ONE.

WE HEREBY ENGAGE WITH YOU THAT ALL DOCUMENT(S) DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS STANDBY LETTER OF CREDIT WILL BE DULY HONORED IF DRAWN AND PRESENTED FOR PAYMENT AT OUR OFFICE LOCATED AT [Insert Bank Name], [Insert Bank Address], ATTN: [Insert Appropriate Recipient], ON OR BEFORE THE EXPIRATION DATE OF THIS CREDIT, __(Expiration Date)__.

IN THE EVENT THAT THE ORIGINAL OF THIS STANDBY LETTER OF CREDIT IS LOST, STOLEN, MUTILATED, OR OTHERWISE DESTROYED, WE HEREBY AGREE TO ISSUE A DUPLICATE ORIGINAL HEREOF UPON RECEIPT OF A WRITTEN REQUEST FROM YOU AND A CERTIFICATION BY YOU (PURPORTEDLY SIGNED BY YOUR AUTHORIZED REPRESENTATIVE) OF THE LOSS, THEFT, MUTILATION, OR OTHER DESTRUCTION OF THE ORIGINAL HEREOF.

EXCEPT SO FAR AS OTHERWISE EXPRESSLY STATED HEREIN, THIS STANDBY LETTER OF CREDIT IS SUBJECT TO THE "INTERNATIONAL STANDBY PRACTICES" (ISP 98) INTERNATIONAL CHAMBER OF COMMERCE (PUBLICATION NO. 590).

Very truly yours,

(Name of Issuing Bank)

By: _____

EXHIBIT G

TENANT'S PROPERTY[1]

1. All moveable furniture and equipment that is not "built-in".
2. Moveable lab casework (other than "built-in" lab casework), including moveable lab benches and tables
3. Servers, server racks and back-up batteries.
4. Furniture.
5. Portable fume hoods.
6. Biosafety cabinets.
7. Moveable laboratory equipment.
8. Flammable/corrosive cabinets

[1] NTD: to be discussed.

LEASE

BRITANNIA POINTE GRAND LIFE SCIENCE CENTER

PG VII 280 EAST GRAND, LLC,
a Delaware limited liability company,

as Landlord,

and

ALUMIS INC.,

a Delaware corporation,

as Tenant.

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Exhibit 10.13

ESKER THERAPEUTICS, INC.

September 15, 2021

Martin Babler

Re: Offer of Employment

Dear Martin:

We are pleased to present this offer of employment for the position of President, Chief Executive Officer and Chairman of the Board of Esker Therapeutics, Inc. (the "Company"), a Foresite Labs, LLC ("Foresite Labs") incubated company. This is a full-time, exempt position, carrying considerable responsibility and is integral to the development and success of the business. We are excited about your interest in joining the Company full-time. This letter agreement formally presents the specifics of our offer for your consideration:

Title:	President, Chief Executive Officer and Chairman of the Board
Base Pay:	$500,000 per year
Status:	Regular, Full-Time Employee, Exempt
Reports to:	Board of Directors
Start Date:	September 15, 2021
Location:	San Francisco / Remote

Scope of Work

You will report directly to the Board, and will principally work from the Company's facility, located in the San Francisco area, although you will be initially be permitted to work remotely. Subject to your right to receive severance upon a Constructive Termination (as defined herein), the Company may change your position, duties, and work location or reporting structure from time to time at its discretion.

Professional Contribution

You agree that you will, at all times and to the best of your abilities, loyally and conscientiously perform all of the duties and obligations required of you pursuant to the express and implicit terms of this letter, and to the reasonable satisfaction of the Company. You further agree that during your term of employment, you will devote all of your business time and attention to the business of the Company and that the Company will be entitled to all of the benefits and profits arising from or incidental to all your work, services and advice. You agree that you will not provide commercial or professional services of any nature to any other person or organization (other than the Company or another incubated company of Foresite Labs), whether or not for compensation, without the prior written consent of the Board of Directors. You further agree that during your employment with the Company, you will not directly or indirectly engage or participate in any business that is competitive, in any manner, with the business of the Company. Notwithstanding the foregoing, you may serve on corporate boards or committees, civic, charitable or other non-profit boards, committees or organizations, deliver lectures or fulfill speaking engagements; provided, however, that (i) such activities do not individually or in the aggregate materially interfere with the performance of your duties under this letter agreement and (ii) you notify and receive prior written consent from the Board of Directors. You further agree to comply with the Company's written policies and rules, as they may be in effect from time to time during your employment.

As CEO of the Company, you shall have a designated seat on the Board of Directors of the Company (the "Board").

At-Will Employment Status

Your employment with the Company is "at-will" and will continue only so long as continued employment is mutually agreeable to you and the Company. While we are extending this offer with the hope you will stay and enhance your career with us, either you or the Company may modify the terms of or terminate the employment relationship at any time, for any reason, with or without notice or cause, subject to the provisions of Attachment A which are incorporated herein.

Compensation

1. Base Salary. You will be paid a base salary of $500,000 per year. Your Base Salary will be payable pursuant to the Company's regular payroll policy.

2. Bonus. You will be eligible for a discretionary cash bonus targeted at 40% of your base salary, payable in accordance with this paragraph. Payment of the discretionary bonus will be at the discretion of the Board and subject to many variables, especially the success of the Company and your contribution towards that success. Target bonuses are currently paid on a fiscal year schedule in Q1 of each year and are prorated for partial year service, and you must be an employee of the Company through the payment date in order to be eligible to receive your bonus.

3. Equity. Subject to Board approval, you will be granted an option to purchase 3,000,000 shares of the Company's Common Stock (the "Option"). The exercise price of the Option shall be $0.82 per share, a price equal to the Company's current 409A valuation. Your Option shall vest based solely on continued service provided to the Company as follows: one-quarter vesting on the one- year anniversary of your start date with the Company (the "Cliff Date"), and the balance vesting in equal monthly installments over the three years thereafter (i.e., a customary 4-year vesting schedule with a one-year "cliff"). In addition, the Option will be eligible for the vesting acceleration described in Section 2 and in Section 7 of Attachment A. The Option will be "early- exercisable", such that you will be eligible to exercise shares subject to the Option prior to their vesting, and the Option will be exercisable until the earlier of (x) the expiration of the Option's 10-year term or (y) unless the Option is assumed by the acquiring company, upon the effective date of a Change of Control. The Option will be an ISO to the extent statutorily permissible. The Option will be subject to the Company's stock plan and the Company's standard form of stock option agreement (with appropriate modifications to reflect the terms referenced above).

4. Salary. Your Base Salary will be reviewed annually as part of the Company's normal salary review process, for increase (but not decease other than as part of an across-the-board cost-cutting measure).

5. Expenses. The Company will reimburse you for reasonable travel, entertainment or other expenses incurred by you in furtherance or in connection with the performance of your duties hereunder.

Employee Benefits

You will be eligible to participate in Company-sponsored benefits, as in place from time to time. Availability, terms and the associated eligibility requirements of the Company's benefit programs are subject to change by the Company from time to time, with or without notice.

Proprietary Information and Inventions Agreement

Your acceptance of this offer and commencement of employment with the Company is contingent upon the execution, and delivery to an officer of the Company, of the Company's Proprietary Information and Inventions Agreement (the "PIIA"), prior to or on your Start Date.

Non-Competition/Non-Solicitation

Prior to accepting this offer, you must disclose in writing to the undersigned the existence of any employment agreement, non-compete or non-solicitation agreement, confidentiality or similar agreement(s) with a current or former employer that in any way would prohibit your performance of any duties or responsibilities with the Company.

Employee Policies

You will be subject to the Company's employee policies as established by Company management and the Board from time to time. The provisions of this offer letter and all other documents referenced herein constitute the full and complete terms of your employment and supersede any prior representations or agreements by anyone, either oral or written. These terms of employment are not subject to change or modification of any kind, unless specified in writing, and signed by you and the Company's CEO or a member of the Board, as applicable.

Tax Matters

All forms of compensation referred to in this offer letter are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law. You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board related to tax liabilities arising from your compensation.

Company Successors

This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. Any such successor will within a reasonable period of becoming the successor assume in writing and be bound by all of the Company's obligations under this Agreement. For all purposes under this Agreement, the term "Company" shall include Esker Therapeutics, Inc. as well as any successor entity and to any successor to the Company's business or assets that becomes bound by this Agreement.

Acceptance of Employment

This offer of employment is contingent upon your completion, execution, and our receipt of all employment documents listed in this letter on or before your Start Date (see below), along with the successful clearance of a background check. You will receive an email from our background check vendor in the next few days asking you to authorize the initiation of this background check, which you will need to respond promptly to.

Once you have had an opportunity to consider this offer letter, please indicate your agreement with these terms and conditions of employment by providing a signed copy of your offer back to Foresite Labs.

The below documents will be provided to you by Human Resources upon acceptance of this letter agreement. In addition, we must receive acceptable proof of identification and authorization to work in the United States (part of the I-9 form listed below).

1. Background Check Release and Authorization (received via email through third party vendor)

2. Signed Proprietary Information and Inventions Agreement

3. Completed I-9 Form and documentation

4. Signed Dispute Resolution/Arbitration Agreement

This offer expires within ten (10) calendar days of the date of this letter unless the Company receives a signed copy within that period.

We are delighted to be able to extend this offer of employment to you and sincerely feel the Company can provide you with the opportunity to achieve rewarding results for both you and the Company. Please contact me with any questions. We look forward to working with you.

Sincerely,

/s/ Vikram Bajaj
Vikram Bajaj, Interim President

I have read and understood this offer letter and hereby acknowledge, accept and agree to the terms as set forth above and attached and further acknowledge that no other commitments were made to me as part of my employment offer except as specifically set forth herein.

/s/ Martin Babler
Martin Babler

Date: September 15, 2021

ATTACHMENT A

Definitions, Terms and Conditions

1. Termination of Employment.

a. At-Will Employment. Your employment with the Company is at-will, meaning either you or the Company can terminate your employment at any time, with or without cause, and with or without notice. Neither you nor the Company can change the "at will" nature of your employment, unless the CEO or the Board of the Company and you sign a written contract that explicitly changes your status as an "at will" employee.

b. Payment & Benefits Upon Termination. Your entitlement to payment and benefits upon termination is as follows:

(i) Termination Without "Cause" or "Constructive Termination". If your employment is terminated involuntarily without Cause (as defined in Section 3(a), below) or in the event of your "Constructive Termination" (as defined in Section 3(c) below) and you are subject to a "Separation" under Section 409A (as defined in Section 4 below):

(A) you will receive payment for any earned and unpaid salary as of the date of your termination of employment; and,

(B) in the event you execute and do not revoke the general release of claims ("Release"), in the form attached hereto as Attachment B, you will be offered the Separation Compensation (as defined in Section 2, below). Subject to the terms of Section 7 below, You will not be entitled to or offered any form of additional severance pay or benefits other than the Separation Compensation (e.g., you will not be entitled to pay or benefits under any employee severance plan that is generally applicable to employees).

(ii) Voluntary Termination. If you voluntarily terminate your employment, or give notice that you will voluntarily terminate your employment at a future date (and whether or not the Company accelerates the effective date of your resignation date that you provide to an earlier termination date), you will receive payment(s) for all earned and unpaid salary. You will not be entitled to the Separation Compensation, or any other form of severance pay or benefits.

(iii) Termination for Cause. If your employment is terminated for Cause, you will receive payment(s) for all earned and unpaid salary as of your termination. You will not be entitled to the Separation Compensation, or any other form of severance pay or benefits.

2. Separation Compensation. If you are entitled to Separation Compensation under Section 1 above, your "Separation Compensation" will include each of the following, as well as the applicable vesting acceleration terms described in Section 7:

a. Salary Continuance. You will be offered pay equal to twelve (12) months of your regular base salary subject to applicable payroll deductions and withholdings ("Salary Continuance").

Your first salary continuance payment equal to one (1) month of your regular base salary shall commence on the thirtieth (30th) day following your termination of employment (unless a longer period is required by law to make the Release effective, in which case the first Salary Continuance payment shall be made on the sixtieth (60th) day following your termination of employment) provided the Release is effective at such time, and the remainder shall be paid in monthly installments beginning on the 1st day of the second month following your termination of employment, and on the 1st day of each month thereafter, until the total payment obligation is fulfilled. If the 60-day consideration and revocation period spans two calendar years, then the monthly installments will commence, if applicable, on the first payroll date in the second calendar year following expiration of the applicable revocation period.

b. **Acceleration of Vesting**. Subject to the terms of your applicable equity grant agreements, the vesting applicable to any equity grants made by the Company to you shall accelerate as to that number of shares underlying such equity grant or grants that would have vested on the first anniversary of the date your employment terminates, such acceleration effective immediately prior to such termination.

c. **Other Benefits**. The Company will reimburse you for your expenses in continuing medical insurance benefits for you and your family (meaning medical, dental, optical, and mental health, but not life, insurance) under the Company's then-existing benefit plans (or otherwise in obtaining coverage substantially comparable to the coverage provided to you prior to the termination) over the period beginning on the date your employment terminates and ending on the earlier of (a) your period of Salary Continuance as provided above, or (b) the date you commence employment with another entity.

3. **Definitions**.

a. **Cause**. For the purposes of this letter agreement, "Cause" means your "Separation" by the Company for any of the following reasons: (i) your willful or gross neglect and material failure to perform your duties and responsibilities to the Company, including but not limited to a failure to cooperate with the Company in any investigation or formal proceeding; (ii) your commission of any act of fraud, embezzlement, dishonesty or any other intentional misconduct in connection with your responsibilities as an employee that is materially injurious to the Company; (iii) the unauthorized use or disclosure by you of any proprietary information or trade secrets of the Company or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company; (iv) you are convicted of, or enter a no contest plea to, a felony; or (v) your breach of any of your material obligations under any Company policy, written agreement or covenant with the Company (including this letter agreement). A termination of employment under subparts (i), (iii) and (v) shall not be deemed cause unless you have first been given specific written notice of subpart and facts relied upon and thirty days to cure. The determination as to whether you are being terminated for Cause, and whether you have cured any such actions or inactions during any thirty day cure period with respect to subparts (i), (iii) and (v) and with respect to subpart (v) whether such breach is capable of being cured, shall be made in good faith by the Board of Directors. The foregoing definition does not in any way limit the Company's ability to terminate your employment at any time as provided in Section 1(a) above.

b. **Change of Control**. For purposes of this letter agreement, "Change of Control" of the Company is defined as: (i) the date any non-affiliated "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes, subsequent to the date hereof, the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities, other than pursuant to a sale by the Company of its securities in a transaction or series of related transactions the primary purpose of which is to raise capital for the Company; (ii) the date of the consummation of a merger or consolidation of the Company with any other corporation that has been approved by the stockholders of the Company, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (iii) the date of the consummation of the sale or disposition by the Company of all or substantially all the Company's assets.

c. **Constructive Termination**. For the purposes of this letter agreement, "Constructive Termination" means your Separation as the result of resignation for any of the following, except as otherwise agreed in writing by you: (i) a material reduction in your job duties, position and responsibilities, taken as a whole, other than in connection with an Excluded Change of Control; (ii) the Company requires you to relocate to a facility or location more than thirty-five (35) miles from the location from the primary location at which you were working for the Company immediately before the required change of location; (iii) any reduction of your base salary in effect immediately prior to such reduction (other than as part of an across-the-board, proportional reduction), or (iv) the Company materially breaches the terms of this Agreement. Notwithstanding anything else contained herein, in the event of the occurrence of a condition listed above you must provide notice to the Company within sixty (60) days of the occurrence of a condition listed above and allow the Company thirty (30) days after your delivery of notice to the Company in which to cure such condition. Additionally, in the event the Company fails to cure the condition within the cure period provided, you must terminate employment with the Company within ten (10) days of the end of the cure period.

d. **Excluded Change of Control**. For purposes of this letter agreement, an "Excluded Change of Control" shall mean (i) a Change of Control involving any transaction with Aclaris Therapeutics Inc. or (ii) a Change of Control with a Special Purpose Acquisition Company formed by, or affiliated with, Foresite Capital Management or its affiliated funds (a "Foresite SPAC") within twelve months of your Start Date.

4. **Code Section 409A**. For purposes of this letter agreement, a "Separation" will be determined consistent with the rules relating to a "separation from service" as defined in Section 409A of the Code and the regulations thereunder ("Section 409A"). Notwithstanding anything else provided herein, to the extent any payments provided under this letter agreement in connection with your termination of employment constitute deferred compensation subject to Section 409A, and you are deemed at the time of such termination of employment to be a "specified employee" under Section 409A, then such payment shall not be made or commence until the earlier of (i) the expiration of the 6-month period measured from your Separation from the Company or (ii) the date of your death following such a Separation; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to you including, without limitation, the additional tax for which you would otherwise be liable under Section 409A(a)(1)(B) in the absence of such a deferral. The first payment thereof will include a catch-up payment covering the amount that would have otherwise been paid during the period between your termination of employment and the first payment date but for the application of this provision, and the balance of the installments (if any) will be payable in accordance with their original schedule. To the extent that any provision of this letter agreement is ambiguous as to its compliance with Section 409A, the provision will be read in such a manner so that all payments hereunder comply with Section 409A. To the extent any payment under this letter agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this section are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

5. **Code Section 280G**. In the event that the severance and any other benefits provided for in this letter agreement or otherwise payable to you (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then your benefits under this letter agreement shall be either:

a. delivered in full; or

b. delivered as to such lesser extent that would result in no portion of such benefits being subject to the Excise Tax, (with first a pro rata reduction of (i) cash payments subject to Section 409A of the Code as deferred compensation and (ii) cash payments not subject to Section 409A of the Code, and then a pro rata cancellation of (i) equity-based compensation subject to Section 409A of the Code as deferred compensation and (ii) equity-based compensation not subject to Section 409A of the Code), whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in your receipt on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code.

Unless you and the Company otherwise agree in writing, the determination of your excise tax liability and the amount required to be paid under this Section shall be made in writing by an accounting firm to be selected by reasonable agreement between you and the Company, whose determination shall be conclusive and binding upon you and the Company for all purposes. For purposes of making the calculations required by this Section, the accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Section 280G and 4999 of the Code. You and the Company shall furnish to the accountants such information and documents as the accountants may reasonably request in order to make a determination under this Section. The Company shall bear all costs the accountants may reasonably incur in connection with any calculations contemplated by this Section.

6. **Other Agreements**. This Attachment A sets forth the terms of the benefits you are eligible to receive in the event your employment with the Company is terminated in the manner described herein and supersedes any prior representations or agreements, whether written or oral. In the event of a conflict between the terms of this Attachment A and any other agreement you have entered into with the Company (including the cover letter to this Attachment A), the terms of this Attachment A shall apply. Notwithstanding the foregoing, in the event of a conflict between the terms of this Attachment A and the documents reflecting your Option, the terms of the equity documentation shall govern. The definitions, terms and conditions contained in this Attachment A may not be modified or amended except by a written agreement, signed by an authorized representative at the direction of the Board of Directors of the Company and by you.

7. **Change of Control Vesting Acceleration and Severance**. In the event of a Change of Control of the Company (other than an Excluded Change of Control), the Option shall vest with respect to 50% of any then unvested shares subject to the Option as of immediately prior to the closing of such Change of Control, provided you are still providing services to the Company at such time. In addition, if following a Change of Control you are subject to a Separation without Cause or a Constructive Termination within twelve months following such Change of Control, then the Option shall vest in full; for avoidance of doubt, a Change of Control under this sentence shall include an Excluded Change of Control. The additional vesting of the Option contemplated by the preceding sentence shall be effective on the effective date of the Release referenced in Section 1 required as a condition to Separation Compensation.

ATTACHMENT B

FORM OF
RELEASE AGREEMENT

This Release Agreement (this "Agreement") is dated as of _____ __, 202_ by and between Esker Therapeutics, Inc. (f/k/a FL2021-001, Inc.), a Delaware corporation (the "Company") and _____ ("Executive;" or "You" and together with the Company, the "Parties").

WHEREAS, the Company and Executive entered into an offer letter, dated _____ ___, 2021 (the "Offer Letter");

WHEREAS, the Company and Executive now desire to terminate the Employee's employment as of _____, __ 202_ (the "Termination Date"); and

WHEREAS, this Agreement confirms the agreement between You and the Company regarding the termination of Your employment with the Company.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the Parties hereby agree as follows:

1. Resignation. You hereby resign as [INSERT TITLE] of the Company effective as of the Termination Date. You and the Company agree that Your termination is a Separation without Cause or a Constructive Termination (as such terms are defined in Attachment A to the Offer Letter).

2. Final Pay. On the Termination Date, the Company will pay You $_____, less all applicable withholdings. This amount represents all of Your salary earned through the Termination Date and all of Your accrued but unused vacation time or PTO. You acknowledge that, prior to the execution of this Agreement, and other than as set forth in Attachment A to Your Offer Letter, You are not entitled to receive any additional money from the Company, and that the only payments that You are entitled to receive from the Company in the future are those specified in this Agreement and Attachment A.

3. Separation Compensation. Pursuant to the terms of the Offer Letter, if You timely sign this Agreement and this Agreement becomes effective in accordance with Section 9 below, the Company will provide You with the Separation Compensation as defined and described in Attachment A to the Offer Letter within ten (10) days of the Effective Date (as defined below).

4. Benefits. Except as provided in Attachment A to Your Offer Letter, Your participation in all employee benefits plans and programs will end on the Termination Date. Under separate cover, You will receive information about Your rights, if any, to continue Your group health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA") after the Termination Date, including as provided in Attachment A. In order to continue Your coverage, You must file the required election form.

5. Company Shares. On or about _____, the Company issued You a stock option to purchase _____ shares of its common stock pursuant to the stock option agreement, dated [INSERT DATE] (the "Stock Option Agreement"). Currently, you are vested in _____ option shares subject to the Stock Option Agreement (the "Vested Option Shares"). Pursuant to Attachment A of Your Offer Letter and if this Agreement become effective in accordance with Section 9 below, you will vest in an additional _____ option shares subject to the Stock Option Agreement (the "Additional Vested Option Shares"). Except as otherwise provided in this Section 5, the Vested Option Shares and Additional Vested Option Shares remain subject to the Stock Option Agreement and stock option plan. You acknowledge and agree that other than the Vested Option Shares and Additional Vested Option Shares, You have no further rights to the Company's capital stock, or any rights to receive or vest in any additional shares of the Company capital stock.

6. Release of All Claims.

(a) Executive Release. In consideration for the Separation Compensation set forth in Section 3 (above)) and other benefits provided to You in this Agreement, to the fullest extent permitted by law, You waive, release and promise never to assert any claims or causes of action, whether or not now known, against the Company or its predecessors, successors or past or present subsidiaries, stockholders, directors, officers, employees, consultants, attorneys, agents, assigns, employee benefit plans, and each of their respective indirect and direct affiliates, stockholders, directors, officers, managers, members, employees, consultants, attorneys, agents and assigns with respect to any matter, including (without limitation) any matter related to Your employment with the Company, the termination of that employment, or Your ownership of the Company's capital stock, right to purchase or the actual purchase or receipt of shares of the Company's capital stock, including (without limitation) claims to attorneys' fees or costs, claims of wrongful discharge, constructive discharge, emotional distress, defamation, invasion of privacy, fraud, breach of contract or breach of the covenant of good faith and fair dealing and any claims of discrimination or harassment based on sex, age, race, national origin, disability or any other basis under Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, the California Fair Pay Act, the Equal Pay Act, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the National Labor Relations Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Workers Adjustment and Retraining Notification ("WARN") Act, the Families First Coronavirus Response Act, the CARES Act, the California WARN Act, and all other laws and regulations relating to employment. However, this release covers only those claims that arose prior to the execution of this Agreement and only those claims that may be waived by applicable law. Execution of this Agreement does not bar any claim that arises hereafter, including (without limitation) a claim for breach of this Agreement and does not bar any claim by Executive for indemnification by the Company for claims, losses or costs arising from or related to his service as an officer and director of the Company.

(b) Waiver. You expressly waive and release any and all rights and benefits under Section 1542 of the California Civil Code (or any analogous law of any other state), which reads as follows:

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

7. Exceptions. Nothing contained in this Agreement limits Your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). You further understand that this Agreement does not limit Your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit Your right to receive an award for information provided to any Government Agencies. However, You understand and agree that You shall not be entitled to, and shall not seek nor permit anyone to seek on Your behalf, any personal, equitable or monetary relief for any claims or causes of action released by You in this Agreement, to the fullest extent permitted by law.

8. No Admission. Nothing contained in this Agreement will constitute or be treated as an admission by You or the Company of liability, any wrongdoing or any violation of law.

9. Consideration and Revocation Period. You acknowledge that You have hereby been advised in writing to consult with an attorney of Your choice prior to signing this Agreement, and that You had at least twenty-one (21) days to consider this Agreement before signing it. You acknowledge that if this Agreement is signed before twenty-one (21) days have elapsed from the date of delivery, by signing this Agreement You have expressly waived the twenty-one (21)-day consideration period. You acknowledge that You may revoke this Agreement within seven (7) days following its execution, and the Agreement shall not become effective until the revocation period has expired. If You do not revoke this Agreement, the eighth day after the date You sign the Agreement will be the "Effective Date."

10. Section 409A. Any amount paid under this Agreement is intended to satisfy the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition before actual payment to Executive under Section 409A. For purposes of this Agreement, each of the salary continuation payments provided for in Section 3(a) to be made to You under this Agreement is designated as a separate payment under Section 409A.

11. Opportunity to Seek Counsel. Executive acknowledges by signing this Agreement that he/she has read and understands this document, that he/she has conferred with or had the opportunity to confer with an attorney of his choice regarding the terms and meaning of this Agreement, that he/she has had sufficient time to consider the terms provided for in this Agreement, that no representations or inducements have been made to his/her as set forth herein, and that he/she has signed the same knowingly and voluntarily.

12. Confidentiality. You agree that You will not disclose to others the existence or terms of this Agreement, except that You may disclose such information to your spouse, attorney or tax adviser if such individuals agree that they will not disclose to others the existence or terms of this Agreement.

13. Company Property. You represent that You will return to the Company all property that belongs to the Company, including (without limitation) copies of documents that belong to the Company and files stored on your computer(s) that contain information belonging to the Company on or before the Termination Date.

14. Mutual Non-Disparagement/Public Statements. You agree that You will never make any negative or disparaging statements (orally or in writing) about the Company or its predecessors, successors or past or present subsidiaries, stockholders, directors, officers, employees, consultants, attorneys, agents, assigns, employee benefit plans, and each of their respective affiliates, stockholders, directors, officers, managers, members, employees, consultants, attorneys, agents and assigns, except as required by law. The Company shall direct its officers and directors to not make any negative or disparaging statements (orally or in writing) about You. You agree to cooperate with the Company and its public relations firm on all external and internal communications regarding your termination. You agree that You will not provide any interviews or statements relating to your termination or otherwise to the Company without obtaining Board approval prior to providing any such interviews or statements.

15. Assignment. This Agreement will be binding upon and inure to the benefit of (a) the heirs, executors and legal representatives of Executive upon Executive's death and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. None of the rights of Executive to receive any form of compensation payable pursuant to this Agreement may be assigned or transferred except by will or the laws of descent and distribution. Any other attempted assignment, transfer, conveyance or other disposition of Executive's right to compensation or other benefits will be null and void.

16. Notices. All notices, requests, demands and other communications called for hereunder will be in writing and will be deemed given (a) on the date of delivery if delivered personally, (b) one (1) day after being sent by a well-established commercial overnight service, or (c) four (4) days after being mailed by registered or certified mail, return receipt requested, prepaid and addressed to the Parties or their successors at the following addresses, or at such other addresses as the Parties may later designate in writing:

If to the Company:
Esker Therapeutics, Inc.
Attn: Chair of the Board of Directors

If to Executive: Last address on file with the Company.

17. Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement will continue in full force and effect without said provision. In the event that a court of competent jurisdiction shall determine that any provision of this Agreement or the application thereof is unenforceable in whole or in part because of the duration or scope thereof, the Parties hereto agree that said court in making such determination shall have the power to reduce the duration and scope of such provision to the extent necessary to make it enforceable, and that the Agreement in its reduced form shall be valid and enforceable to the full extent permitted by law.

18. Other Agreements. At all times in the future, You will remain bound by the Proprietary Information and Inventions Agreement (the "PIIA") with the Company that You signed on or about _____ __, 2021, a copy of which is attached as **Exhibit I**. This Agreement, which incorporates the PIIA, represents the entire agreement and understanding between the Parties as to the subject matter herein and supersedes all prior or contemporaneous agreements whether written or oral, including, without limitation, the Offer Letter and the Dispute Resolution/Arbitration Agreement, dated _____ __, 2021. This Agreement may be modified only in a written document signed by Executive and a duly authorized officer of the Company.

19. Governing Law/Jurisdiction. The terms of this Agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this Agreement or arising out of, related to, or in any way connected with, this Agreement, Your employment with the Company or any other relationship between You and the Company (the "Disputes") will be governed by California law, excluding laws relating to conflicts or choice of law. Executive and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in San Francisco, California in connection with any Dispute or any claim related to any Dispute.

20. Waiver of Breach. The waiver of a breach of any term or provision of this Agreement, which must be in writing, will not operate as or be construed to be a waiver of any other previous or subsequent breach of this Agreement.

21. Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

22. Tax Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable taxes.

23. Counterparts. This Agreement may be executed in counterparts, and each counterpart will have the same force and effect as an original and will constitute an effective, binding agreement on the part of each of the undersigned. Execution of a facsimile copy will have the same force and effect as execution of an original, and a facsimile signature will be deemed an original and valid signature.

[Signature Page to Follow]

IN WITNESS WHEREOF, each of the Parties has executed this Agreement, in the case of the Company by their duly authorized officers, as of the day and year first above written.

ESKER THERAPEUTICS, INC.:

Date: _____

By: _____
Name: _____
Title: _____

I agree to the terms of this Agreement, and I am voluntarily signing this release of all claims. I acknowledge that I have read and understand this Agreement, and I understand that I cannot pursue any of the claims and rights that I have waived in this Agreement at any time in the future.

EXECUTIVE:

Date: _____

_____
Name: _____

EXHIBIT I

PIIA

Exhibit 10.14

ESKER THERAPEUTICS, INC.

September 15, 2021

David Goldstein

Re: Offer of Employment

Dear David:

We are pleased to present this offer of employment for the position of Chief Scientific Officer of Esker Therapeutics, Inc. (the "Company"), a Foresite Labs, LLC ("Foresite Labs") incubated company. This is a full-time, exempt position, carrying considerable responsibility and is integral to the development and success of the business. We are excited about your interest in joining the Company full-time. This letter agreement formally presents the specifics of our offer for your consideration:

Title:	Chief Scientific Officer
Base Pay:	$360,000 per year
Status:	Regular, Full-Time Employee, Exempt
Reports to:	CEO
Start Date:	September 15, 2021
Location:	San Francisco / Remote

Scope of Work

You will report directly to the Company's CEO, and will principally work from the Company's facility, located in the San Francisco area, although you will be initially be permitted to work remotely. Subject to your right to receive severance upon a Constructive Termination (as defined herein), the Company may change your position, duties, and work location or reporting structure from time to time at its discretion.

Professional Contribution

You agree that you will, at all times and to the best of your abilities, loyally and conscientiously perform all of the duties and obligations required of you pursuant to the express and implicit terms of this letter, and to the reasonable satisfaction of the Company. You further agree that during your term of employment, you will devote all of your business time and attention to the business of the Company and that the Company will be entitled to all of the benefits and profits arising from or incidental to all your work, services and advice. You agree that you will not provide commercial or professional services of any nature to any other person or organization (other than the Company or another incubated company of Foresite Labs), whether or not for compensation, without the prior written consent of the Board of Directors. You further agree that during your employment with the Company, you will not directly or indirectly engage or participate in any business that is competitive, in any manner, with the business of the Company. Notwithstanding the foregoing, you may serve on corporate boards or committees, civic, charitable or other non-profit boards, committees or organizations, deliver lectures or fulfill speaking engagements; provided, however, that (i) such activities do not individually or in the aggregate materially interfere with the performance of your duties under this letter agreement and (ii) you notify and receive prior written consent from the Board of Directors. You further agree to comply with the Company's written policies and rules, as they may be in effect from time to time during your employment.

At-Will Employment Status

Your employment with the Company is "at-will" and will continue only so long as continued employment is mutually agreeable to you and the Company. While we are extending this offer with the hope you will stay and enhance your career with us, either you or the Company may modify the terms of or terminate the employment relationship at any time, for any reason, with or without notice or cause, subject to the provisions of Attachment A which are incorporated herein.

Compensation

1. Base Salary. You will be paid a base salary of $360,000 per year. Your Base Salary will be payable pursuant to the Company's regular payroll policy.

2. Bonus. You will be eligible for a discretionary cash bonus targeted at 35% of your base salary, payable in accordance with this paragraph. Payment of the discretionary bonus will be at the discretion of the Board and subject to many variables, especially the success of the Company and your contribution towards that success. Target bonuses are currently paid on a fiscal year schedule in Q1 of each year and are prorated for partial year service, and you must be an employee of the Company through the payment date in order to be eligible to receive your bonus.

3. Equity. Subject to Board approval, you will be granted an option to purchase 1,000,000 shares of the Company's Common Stock (the "Option"). The exercise price of the Option shall be $0.82 per share, a price equal to the Company's current 409A valuation. Your Option shall vest based solely on continued service provided to the Company as follows: one-quarter vesting on the one-year anniversary of your start date with the Company (the "Cliff Date"), and the balance vesting in equal monthly installments over the three years thereafter (i.e., a customary 4-year vesting schedule with a one-year "cliff"). In addition, the Option will be eligible for the vesting acceleration described in in Section 2 and in Section 7 of Attachment A. The Option will be "early-exercisable", such that you will be eligible to exercise shares subject to the Option prior to their vesting, and the Option will be exercisable until the earlier of (x) the expiration of the Option's 10-year term or (y) unless the Option is assumed by the acquiring company, upon the effective date of a Change of Control. The Option will be an ISO to the extent statutorily permissible. The Option will be subject to the Company's stock plan and the Company's standard form of stock option agreement (with appropriate modifications to reflect the terms referenced above).

4. Salary. Your Base Salary will be reviewed annually as part of the Company's normal salary review process, for increase (but not decease other than as part of an across-the-board cost-cutting measure).

5. Expenses. The Company will reimburse you for reasonable travel, entertainment or other expenses incurred by you in furtherance or in connection with the performance of your duties to hereunder.

Employee Benefits

You will be eligible to participate in Company-sponsored benefits, as in place from time to time. Availability, terms and the associated eligibility requirements of the Company's benefit programs are subject to change by the Company from time to time, with or without notice.

Proprietary Information and Inventions Agreement

Your acceptance of this offer and commencement of employment with the Company is contingent upon the execution, and delivery to an officer of the Company, of the Company's Proprietary Information and Inventions Agreement (the "PIIA"), prior to or on your Start Date.

Non-Competition/Non-Solicitation

Prior to accepting this offer, you must disclose in writing to the undersigned the existence of any employment agreement, non-compete or non-solicitation agreement, confidentiality or similar agreement(s) with a current or former employer that in any way would prohibit your performance of any duties or responsibilities with the Company.

Employee Policies

You will be subject to the Company's employee policies as established by Company management and the Board from time to time. The provisions of this offer letter and all other documents referenced herein constitute the full and complete terms of your employment and supersede any prior representations or agreements by anyone, either oral or written. These terms of employment are not subject to change or modification of any kind, unless specified in writing, and signed by you and the Company's CEO or a member of the Board, as applicable.

Tax Matters

All forms of compensation referred to in this offer letter are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law. You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board related to tax liabilities arising from your compensation.

Company Successors

This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. Any such successor will within a reasonable period of becoming the successor assume in writing and be bound by all of the Company's obligations under this Agreement. For all purposes under this Agreement, the term "Company" shall include Esker Therapeutics, Inc. as well as any successor entity and to any successor to the Company's business or assets that becomes bound by this Agreement.

Acceptance of Employment

This offer of employment is contingent upon your completion, execution, and our receipt of all employment documents listed in this letter on or before your Start Date (see below), along with the successful clearance of a background check. You will receive an email from our background check vendor in the next few days asking you to authorize the initiation of this background check, which you will need to respond promptly to.

Once you have had an opportunity to consider this offer letter, please indicate your agreement with these terms and conditions of employment by providing a signed copy of your offer back to Foresite Labs.

The below documents will be provided to you by Human Resources upon acceptance of this letter agreement. In addition, we must receive acceptable proof of identification and authorization to work in the United States (part of the I-9 form listed below).

1. Background Check Release and Authorization (received via email through third party vendor)

2. Signed Proprietary Information and Inventions Agreement

3. Completed I-9 Form and documentation

4. Signed Dispute Resolution/Arbitration Agreement

This offer expires within ten (10) calendar days of the date of this letter unless the Company receives a signed copy within that period.

We are delighted to be able to extend this offer of employment to you and sincerely feel the Company can provide you with the opportunity to achieve rewarding results for both you and the Company. Please contact me with any questions. We look forward to working with you.

Sincerely,

/s/ Martin Babler
Martin Babler, President

I have read and understood this offer letter and hereby acknowledge, accept and agree to the terms as set forth above and attached and further acknowledge that no other commitments were made to me as part of my employment offer except as specifically set forth herein.

/s/ David Goldstein
David Goldstein

Date: September 15, 2021

ATTACHMENT A

Definitions, Terms and Conditions

1. Termination of Employment.

a. At-Will Employment. Your employment with the Company is at-will, meaning either you or the Company can terminate your employment at any time, with or without cause, and with or without notice. Neither you nor the Company can change the "at will" nature of your employment, unless the CEO or the Board of the Company and you sign a written contract that explicitly changes your status as an "at will" employee.

b. Payment & Benefits Upon Termination. Your entitlement to payment and benefits upon termination is as follows:

(i) Termination Without "Cause" or "Constructive Termination". If your employment is terminated involuntarily without Cause (as defined in Section 3(a), below) or in the event of your "Constructive Termination" (as defined in Section 3(c) below) and you are subject to a "Separation" under Section 409A (as defined in Section 4 below):

(A) you will receive payment for any earned and unpaid salary as of the date of your termination of employment; and,

(B) in the event you execute and do not revoke the general release of claims ("Release"), in the form attached hereto as Attachment B, you will be offered the Separation Compensation (as defined in Section 2, below). Subject to the terms of Section 7 below, You will not be entitled to or offered any form of additional severance pay or benefits other than the Separation Compensation (e.g., you will not be entitled to pay or benefits under any employee severance plan that is generally applicable to employees).

(ii) Voluntary Termination. If you voluntarily terminate your employment, or give notice that you will voluntarily terminate your employment at a future date (and whether or not the Company accelerates the effective date of your resignation date that you provide to an earlier termination date), you will receive payment(s) for all earned and unpaid salary. You will not be entitled to the Separation Compensation, or any other form of severance pay or benefits.

(iii) Termination for Cause. If your employment is terminated for Cause, you will receive payment(s) for all earned and unpaid salary as of your termination. You will not be entitled to the Separation Compensation, or any other form of severance pay or benefits.

2. Separation Compensation. If you are entitled to Separation Compensation under Section 1 above, your "Separation Compensation" will include each of the following, as well as the applicable vesting acceleration terms described in Section 7:

a. Salary Continuance. You will be offered pay equal to nine months of your regular base salary subject to applicable payroll deductions and withholdings ("Salary Continuance").

Your first salary continuance payment equal to one (1) month of your regular base salary shall commence on the thirtieth (30th) day following your termination of employment (unless a longer period is required by law to make the Release effective, in which case the first Salary Continuance payment shall be made on the sixtieth (60th) day following your termination of employment) provided the Release is effective at such time, and the remainder shall be paid in monthly installments beginning on the 1st day of the second month following your termination of employment, and on the 1st day of each month thereafter, until the total payment obligation is fulfilled. If the 60-day consideration and revocation period spans two calendar years, then the monthly installments will commence, if applicable, on the first payroll date in the second calendar year following expiration of the applicable revocation period.

b. **Acceleration of Vesting**. Subject to the terms of your applicable equity grant agreements, the vesting applicable to any equity grants made by the Company to you shall accelerate as to that number of shares underlying such equity grant or grants that would have vested on the first anniversary of the date your employment terminates, such acceleration effective immediately prior to such termination.

c. **Other Benefits**. The Company will reimburse you for your expenses in continuing medical insurance benefits for you and your family (meaning medical, dental, optical, and mental health, but not life, insurance) under the Company's then-existing benefit plans (or otherwise in obtaining coverage substantially comparable to the coverage provided to you prior to the termination) over the period beginning on the date your employment terminates and ending on the earlier of (a) your period of Salary Continuance as provided above, or (b) the date you commence employment with another entity.

3. Definitions.

a. **Cause**. For the purposes of this letter agreement, "Cause" means your "Separation" by the Company for any of the following reasons: (i) your willful or gross neglect and material failure to perform your duties and responsibilities to the Company, including but not limited to a failure to cooperate with the Company in any investigation or formal proceeding; (ii) your commission of any act of fraud, embezzlement, dishonesty or any other intentional misconduct in connection with your responsibilities as an employee that is materially injurious to the Company; (iii) the unauthorized use or disclosure by you of any proprietary information or trade secrets of the Company or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company; (iv) you are convicted of, or enter a no contest plea to, a felony; or (v) your breach of any of your material obligations under any Company policy, written agreement or covenant with the Company (including this letter agreement). A termination of employment under subparts (i), (iii) and (v) shall not be deemed cause unless you have first been given specific written notice of subpart and facts relied upon and thirty days to cure. The determination as to whether you are being terminated for Cause, and whether you have cured any such actions or inactions during any thirty day cure period with respect to subparts (i), (iii) and (v) and with respect to subpart (v) whether such breach is capable of being cured, shall be made in good faith by the Board of Directors. The foregoing definition does not in any way limit the Company's ability to terminate your employment at any time as provided in Section 1(a) above.

b. **Change of Control**. For purposes of this letter agreement, "Change of Control" of the Company is defined as: (i) the date any non-affiliated "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes, subsequent to the date hereof, the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities, other than pursuant to a sale by the Company of its securities in a transaction or series of related transactions the primary purpose of which is to raise capital for the Company; (ii) the date of the consummation of a merger or consolidation of the Company with any other corporation that has been approved by the stockholders of the Company, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (iii) the date of the consummation of the sale or disposition by the Company of all or substantially all the Company's assets.

c. **Constructive Termination**. For the purposes of this letter agreement, "Constructive Termination" means your Separation as the result of resignation for any of the following, except as otherwise agreed in writing by you: (i) a material reduction in your job duties, position and responsibilities, taken as a whole, other than in connection with an Excluded Change of Control; (ii) the Company requires you to relocate to a facility or location more than thirty-five (35) miles from the location from the primary location at which you were working for the Company immediately before the required change of location; (iii) any reduction of your base salary in effect immediately prior to such reduction (other than as part of an across-the-board, proportional reduction), or (iv) the Company materially breaches the terms of this Agreement. Notwithstanding anything else contained herein, in the event of the occurrence of a condition listed above you must provide notice to the Company within sixty (60) days of the occurrence of a condition listed above and allow the Company thirty (30) days after your delivery of notice to the Company in which to cure such condition. Additionally, in the event the Company fails to cure the condition within the cure period provided, you must terminate employment with the Company within ten (10) days of the end of the cure period.

d. **Excluded Change of Control**. For purposes of this letter agreement, an "Excluded Change of Control" shall mean (i) a Change of Control involving any transaction with Aclaris Therapeutics Inc. or (ii) a Change of Control with a a Special Purpose Acquisition Company formed by, or affiliated with, Foresite Capital Management or its affiliated funds (a "Foresite SPAC") within twelve months of your Start Date.

4. **Code Section 409A**. For purposes of this letter agreement, a "Separation" will be determined consistent with the rules relating to a "separation from service" as defined in Section 409A of the Code and the regulations thereunder ("Section 409A"). Notwithstanding anything else provided herein, to the extent any payments provided under this letter agreement in connection with your termination of employment constitute deferred compensation subject to Section 409A, and you are deemed at the time of such termination of employment to be a "specified employee" under Section 409A, then such payment shall not be made or commence until the earlier of (i) the expiration of the 6-month period measured from your Separation from the Company or (ii) the date of your death following such a Separation; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to you including, without limitation, the additional tax for which you would otherwise be liable under Section 409A(a)(1)(B) in the absence of such a deferral. The first payment thereof will include a catch-up payment covering the amount that would have otherwise been paid during the period between your termination of employment and the first payment date but for the application of this provision, and the balance of the installments (if any) will be payable in accordance with their original schedule. To the extent that any provision of this letter agreement is ambiguous as to its compliance with Section 409A, the provision will be read in such a manner so that all payments hereunder comply with Section 409A. To the extent any payment under this letter agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this section are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

5. **Code Section 280G**. In the event that the severance and any other benefits provided for in this letter agreement or otherwise payable to you (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then your benefits under this letter agreement shall be either:

a. delivered in full; or

b. delivered as to such lesser extent that would result in no portion of such benefits being subject to the Excise Tax, (with first a pro rata reduction of (i) cash payments subject to Section 409A of the Code as deferred compensation and (ii) cash payments not subject to Section 409A of the Code, and then a pro rata cancellation of (i) equity-based compensation subject to Section 409A of the Code as deferred compensation and (ii) equity-based compensation not subject to Section 409A of the Code), whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in your receipt on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code.

Unless you and the Company otherwise agree in writing, the determination of your excise tax liability and the amount required to be paid under this Section shall be made in writing by an accounting firm to be selected by reasonable agreement between you and the Company, whose determination shall be conclusive and binding upon you and the Company for all purposes. For purposes of making the calculations required by this Section, the accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Section 280G and 4999 of the Code. You and the Company shall furnish to the accountants such information and documents as the accountants may reasonably request in order to make a determination under this Section. The Company shall bear all costs the accountants may reasonably incur in connection with any calculations contemplated by this Section.

6. **Other Agreements**. This Attachment A sets forth the terms of the benefits you are eligible to receive in the event your employment with the Company is terminated in the manner described herein and supersedes any prior representations or agreements, whether written or oral. In the event of a conflict between the terms of this Attachment A and any other agreement you have entered into with the Company (including the cover letter to this Attachment A), the terms of this Attachment A shall apply. Notwithstanding the foregoing, in the event of a conflict between the terms of this Attachment A and the documents reflecting your Option, the terms of the equity documentation shall govern. The definitions, terms and conditions contained in this Attachment A may not be modified or amended except by a written agreement, signed by an authorized representative at the direction of the Board of Directors of the Company and by you.

7. **Change of Control Vesting Acceleration and Severance**. In the event of a Change of Control of the Company (other than an Excluded Change of Control), the Option shall vest with respect to 50% of any then unvested shares subject to the Option as of immediately prior to the closing of such Change of Control, provided you are still providing services to the Company at such time. In addition, if following a Change of Control you are subject to a Separation without Cause or a Constructive Termination within twelve months following such Change of Control, then the Option shall vest in full; for avoidance of doubt, a Change of Control under this sentence shall include an Excluded Change of Control. The additional vesting of the Option contemplated by the preceding sentence shall be effective on the effective date of the Release referenced in Section 1 required as a condition to Separation Compensation.

ATTACHMENT B

FORM OF
RELEASE AGREEMENT

This Release Agreement (this "Agreement") is dated as of _____ __, 202_ by and between Esker Therapeutics, Inc. (f/k/a FL2021-001, Inc.), a Delaware corporation (the "Company") and _____ ("Executive;" or "You" and together with the Company, the "Parties").

WHEREAS, the Company and Executive entered into an offer letter, dated _____ __, 2021 (the "Offer Letter");

WHEREAS, the Company and Executive now desire to terminate the Employee's employment as of _____ __, 202_ (the "Termination Date"); and

WHEREAS, this Agreement confirms the agreement between You and the Company regarding the termination of Your employment with the Company.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the Parties hereby agree as follows:

1. Resignation. You hereby resign as [INSERT TITLE] of the Company effective as of the Termination Date. You and the Company agree that Your termination is a Separation without Cause or a Constructive Termination (as such terms are defined in Attachment A to the Offer Letter).

2. Final Pay. On the Termination Date, the Company will pay You $_____, less all applicable withholdings. This amount represents all of Your salary earned through the Termination Date and all of Your accrued but unused vacation time or PTO. You acknowledge that, prior to the execution of this Agreement, and other than as set forth in Attachment A to Your Offer Letter, You are not entitled to receive any additional money from the Company, and that the only payments that You are entitled to receive from the Company in the future are those specified in this Agreement and Attachment A.

3. Separation Compensation. Pursuant to the terms of the Offer Letter, if You timely sign this Agreement and this Agreement becomes effective in accordance with Section 9 below, the Company will provide You with the Separation Compensation as defined and described in Attachment A to the Offer Letter within ten (10) days of the Effective Date (as defined below).

4. Benefits. Except as provided in Attachment A to Your Offer Letter, Your participation in all employee benefits plans and programs will end on the Termination Date. Under separate cover, You will receive information about Your rights, if any, to continue Your group health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA") after the Termination Date, including as provided in Attachment A. In order to continue Your coverage, You must file the required election form.

5. Company Shares. On or about _____, the Company issued You a stock option to purchase _____ shares of its common stock pursuant to the stock option agreement, dated [INSERT DATE] (the "Stock Option Agreement"). Currently, you are vested in _____ option shares subject to the Stock Option Agreement (the "Vested Option Shares"). Pursuant to Attachment A of Your Offer Letter and if this Agreement become effective in accordance with Section 9 below, you will vest in an additional _____ option shares subject to the Stock Option Agreement (the "Additional Vested Option Shares"). Except as otherwise provided in this Section 5, the Vested Option Shares and Additional Vested Option Shares remain subject to the Stock Option Agreement and stock option plan. You acknowledge and agree that other than the Vested Option Shares and Additional Vested Option Shares, You have no further rights to the Company's capital stock, or any rights to receive or vest in any additional shares of the Company capital stock.

6. Release of All Claims.

(a) Executive Release. In consideration for the Separation Compensation set forth in Section 3 (above) and other benefits provided to You in this Agreement, to the fullest extent permitted by law, You waive, release and promise never to assert any claims or causes of action, whether or not now known, against the Company or its predecessors, successors or past or present subsidiaries, stockholders, directors, officers, employees, consultants, attorneys, agents, assigns, employee benefit plans, and each of their respective indirect and direct affiliates, stockholders, directors, officers, managers, members, employees, consultants, attorneys, agents and assigns with respect to any matter, including (without limitation) any matter related to Your employment with the Company, the termination of that employment, or Your ownership of the Company's capital stock, right to purchase or the actual purchase or receipt of shares of the Company's capital stock, including (without limitation) claims to attorneys' fees or costs, claims of wrongful discharge, constructive discharge, emotional distress, defamation, invasion of privacy, fraud, breach of contract or breach of the covenant of good faith and fair dealing and any claims of discrimination or harassment based on sex, age, race, national origin, disability or any other basis under Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, the California Fair Pay Act, the Equal Pay Act, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the National Labor Relations Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Workers Adjustment and Retraining Notification ("WARN") Act, the Families First Coronavirus Response Act, the CARES Act, the California WARN Act, and all other laws and regulations relating to employment. However, this release covers only those claims that arose prior to the execution of this Agreement and only those claims that may be waived by applicable law. Execution of this Agreement does not bar any claim that arises hereafter, including (without limitation) a claim for breach of this Agreement and does not bar any claim by Executive for indemnification by the Company for claims, losses or costs arising from or related to his service as an officer and director of the Company.

(b) Waiver. You expressly waive and release any and all rights and benefits under Section 1542 of the California Civil Code (or any analogous law of any other state), which reads as follows:

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

7. Exceptions. Nothing contained in this Agreement limits Your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). You further understand that this Agreement does not limit Your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit Your right to receive an award for information provided to any Government Agencies. However, You understand and agree that You shall not be entitled to, and shall not seek nor permit anyone to seek on Your behalf, any personal, equitable or monetary relief for any claims or causes of action released by You in this Agreement, to the fullest extent permitted by law.

8. No Admission. Nothing contained in this Agreement will constitute or be treated as an admission by You or the Company of liability, any wrongdoing or any violation of law.

9. Consideration and Revocation Period. You acknowledge that You have hereby been advised in writing to consult with an attorney of Your choice prior to signing this Agreement, and that You had at least twenty-one (21) days to consider this Agreement before signing it. You acknowledge that if this Agreement is signed before twenty-one (21) days have elapsed from the date of delivery, by signing this Agreement You have expressly waived the twenty-one (21)-day consideration period. You acknowledge that You may revoke this Agreement within seven (7) days following its execution, and the Agreement shall not become effective until the revocation period has expired. If You do not revoke this Agreement, the eighth day after the date You sign the Agreement will be the "Effective Date."

10. Section 409A. Any amount paid under this Agreement is intended to satisfy the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition before actual payment to Executive under Section 409A. For purposes of this Agreement, each of the salary continuation payments provided for in Section 3(a) to be made to You under this Agreement is designated as a separate payment under Section 409A.

11. Opportunity to Seek Counsel. Executive acknowledges by signing this Agreement that he/she has read and understands this document, that he/she has conferred with or had the opportunity to confer with an attorney of his choice regarding the terms and meaning of this Agreement, that he/she has had sufficient time to consider the terms provided for in this Agreement, that no representations or inducements have been made to his/her as set forth herein, and that he/she has signed the same knowingly and voluntarily.

12. Confidentiality. You agree that You will not disclose to others the existence or terms of this Agreement, except that You may disclose such information to your spouse, attorney or tax adviser if such individuals agree that they will not disclose to others the existence or terms of this Agreement.

13. Company Property. You represent that You will return to the Company all property that belongs to the Company, including (without limitation) copies of documents that belong to the Company and files stored on your computer(s) that contain information belonging to the Company on or before the Termination Date.

14. Mutual Non-Disparagement/Public Statements. You agree that You will never make any negative or disparaging statements (orally or in writing) about the Company or its predecessors, successors or past or present subsidiaries, stockholders, directors, officers, employees, consultants, attorneys, agents, assigns, employee benefit plans, and each of their respective affiliates, stockholders, directors, officers, managers, members, employees, consultants, attorneys, agents and assigns, except as required by law. The Company shall direct its officers and directors to not make any negative or disparaging statements (orally or in writing) about You. You agree to cooperate with the Company and its public relations firm on all external and internal communications regarding your termination. You agree that You will not provide any interviews or statements relating to your termination or otherwise to the Company without obtaining Board approval prior to providing any such interviews or statements.

15. Assignment. This Agreement will be binding upon and inure to the benefit of (a) the heirs, executors and legal representatives of Executive upon Executive's death and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. None of the rights of Executive to receive any form of compensation payable pursuant to this Agreement may be assigned or transferred except by will or the laws of descent and distribution. Any other attempted assignment, transfer, conveyance or other disposition of Executive's right to compensation or other benefits will be null and void.

16. Notices. All notices, requests, demands and other communications called for hereunder will be in writing and will be deemed given (a) on the date of delivery if delivered personally, (b) one (1) day after being sent by a well-established commercial overnight service, or (c) four (4) days after being mailed by registered or certified mail, return receipt requested, prepaid and addressed to the Parties or their successors at the following addresses, or at such other addresses as the Parties may later designate in writing:

If to the Company:
Esker Therapeutics, Inc.
Attn: Chair of the Board of Directors

If to Executive: Last address on file with the Company.

17. Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement will continue in full force and effect without said provision. In the event that a court of competent jurisdiction shall determine that any provision of this Agreement or the application thereof is unenforceable in whole or in part because of the duration or scope thereof, the Parties hereto agree that said court in making such determination shall have the power to reduce the duration and scope of such provision to the extent necessary to make it enforceable, and that the Agreement in its reduced form shall be valid and enforceable to the full extent permitted by law.

18. Other Agreements. At all times in the future, You will remain bound by the Proprietary Information and Inventions Agreement (the "PIIA") with the Company that You signed on or about _____, __, 2021, a copy of which is attached as **Exhibit I**. This Agreement, which incorporates the PIIA, represents the entire agreement and understanding between the Parties as to the subject matter herein and supersedes all prior or contemporaneous agreements whether written or oral, including, without limitation, the Offer Letter and the Dispute Resolution/Arbitration Agreement, dated _____, __, 2021. This Agreement may be modified only in a written document signed by Executive and a duly authorized officer of the Company.

19. Governing Law/Jurisdiction. The terms of this Agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this Agreement or arising out of, related to, or in any way connected with, this Agreement, Your employment with the Company or any other relationship between You and the Company (the "Disputes") will be governed by California law, excluding laws relating to conflicts or choice of law. Executive and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in San Francisco, California in connection with any Dispute or any claim related to any Dispute.

20. Waiver of Breach. The waiver of a breach of any term or provision of this Agreement, which must be in writing, will not operate as or be construed to be a waiver of any other previous or subsequent breach of this Agreement.

21. Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

22. Tax Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable taxes.

23. Counterparts. This Agreement may be executed in counterparts, and each counterpart will have the same force and effect as an original and will constitute an effective, binding agreement on the part of each of the undersigned. Execution of a facsimile copy will have the same force and effect as execution of an original, and a facsimile signature will be deemed an original and valid signature.

[Signature Page to Follow]

IN WITNESS WHEREOF, each of the Parties has executed this Agreement, in the case of the Company by their duly authorized officers, as of the day and year first above written.

ESKER THERAPEUTICS, INC.

Date: _____

By: _____
Name: _____
Title: _____

I agree to the terms of this Agreement, and I am voluntarily signing this release of all claims. I acknowledge that I have read and understand this Agreement, and I understand that I cannot pursue any of the claims and rights that I have waived in this Agreement at any time in the future.

EXECUTIVE:

Date: _____

_____
Name: _____

EXHIBIT I

PIIA

Exhibit 10.15

ESKER THERAPEUTICS, INC.

September 15, 2021

Roy Hardiman

Re: Offer of Employment

Dear Roy:

We are pleased to present this offer of employment for the position of Chief Business Officer and General Counsel of Esker Therapeutics, Inc. (the "Company"), a Foresite Labs, LLC ("Foresite Labs") incubated company. This is a full-time, exempt position, carrying considerable responsibility and is integral to the development and success of the business. We are excited about your interest in joining the Company full-time. This letter agreement formally presents the specifics of our offer for your consideration:

Title:	Chief Business Officer and General Counsel
Base Pay:	$360,000 per year
Status:	Regular, Full-Time Employee, Exempt
Reports to:	CEO
Start Date:	September 15, 2021
Location:	San Francisco / Remote

Scope of Work

You will report directly to the Company's CEO, and will principally work from the Company's facility, located in the San Francisco area, although you will be initially be permitted to work remotely. Subject to your right to receive severance upon a Constructive Termination (as defined herein), the Company may change your position, duties, and work location or reporting structure from time to time at its discretion.

Professional Contribution

You agree that you will, at all times and to the best of your abilities, loyally and conscientiously perform all of the duties and obligations required of you pursuant to the express and implicit terms of this letter, and to the reasonable satisfaction of the Company. You further agree that during your term of employment, you will devote all of your business time and attention to the business of the Company and that the Company will be entitled to all of the benefits and profits arising from or incidental to all your work, services and advice. You agree that you will not provide commercial or professional services of any nature to any other person or organization (other than the Company or another incubated company of Foresite Labs), whether or not for compensation, without the prior written consent of the Board of Directors. You further agree that during your employment with the Company, you will not directly or indirectly engage or participate in any business that is competitive, in any manner, with the business of the Company. Notwithstanding the foregoing, you may serve on corporate boards or committees, civic, charitable or other non-profit boards, committees or organizations, deliver lectures or fulfill speaking engagements; provided, however, that (i) such activities do not individually or in the aggregate materially interfere with the performance of your duties under this letter agreement and (ii) you notify and receive prior written consent from the Board of Directors. You further agree to comply with the Company's written policies and rules, as they may be in effect from time to time during your employment.

At-Will Employment Status

Your employment with the Company is "at-will" and will continue only so long as continued employment is mutually agreeable to you and the Company. While we are extending this offer with the hope you will stay and enhance your career with us, either you or the Company may modify the terms of or terminate the employment relationship at any time, for any reason, with or without notice or cause, subject to the provisions of Attachment A which are incorporated herein.

Compensation

1. Base Salary. You will be paid a base salary of $360,000 per year. Your Base Salary will be payable pursuant to the Company's regular payroll policy.

2. Bonus. You will be eligible for a discretionary cash bonus targeted at 35% of your base salary, payable in accordance with this paragraph. Payment of the discretionary bonus will be at the discretion of the Board and subject to many variables, especially the success of the Company and your contribution towards that success. Target bonuses are currently paid on a fiscal year schedule in Q1 of each year and are prorated for partial year service, and you must be an employee of the Company through the payment date in order to be eligible to receive your bonus.

3. Equity. Subject to Board approval, you will be granted an option to purchase 1,000,000 shares of the Company's Common Stock (the "Option"). The exercise price of the Option shall be $0.82 per share, a price equal to the Company's current 409A valuation. Your Option shall vest based solely on continued service provided to the Company as follows: one-quarter vesting on the one-year anniversary of your start date with the Company (the "Cliff Date"), and the balance vesting in equal monthly installments over the three years thereafter (i.e., a customary 4-year vesting schedule with a one-year "cliff"). In addition, the Option will be eligible for the vesting acceleration described in in Section 2 and in Section 7 of Attachment A. The Option will be "early-exercisable", such that you will be eligible to exercise shares subject to the Option prior to their vesting, and the Option will be exercisable until the earlier of (x) the expiration of the Option's 10-year term or (y) unless the Option is assumed by the acquiring company, upon the effective date of a Change of Control. The Option will be an ISO to the extent statutorily permissible. The Option will be subject to the Company's stock plan and the Company's standard form of stock option agreement (with appropriate modifications to reflect the terms referenced above).

4. Salary. Your Base Salary will be reviewed annually as part of the Company's normal salary review process, for increase (but not decease other than as part of an across-the-board cost-cutting measure).

5. Expenses. The Company will reimburse you for reasonable travel, entertainment or other expenses incurred by you in furtherance or in connection with the performance of your duties hereunder.

Employee Benefits

You will be eligible to participate in Company-sponsored benefits, as in place from time to time. Availability, terms and the associated eligibility requirements of the Company's benefit programs are subject to change by the Company from time to time, with or without notice.

Proprietary Information and Inventions Agreement

Your acceptance of this offer and commencement of employment with the Company is contingent upon the execution, and delivery to an officer of the Company, of the Company's Proprietary Information and Inventions Agreement (the "PIIA"), prior to or on your Start Date.

Non-Competition/Non-Solicitation

Prior to accepting this offer, you must disclose in writing to the undersigned the existence of any employment agreement, non-compete or non-solicitation agreement, confidentiality or similar agreement(s) with a current or former employer that in any way would prohibit your performance of any duties or responsibilities with the Company.

Employee Policies

You will be subject to the Company's employee policies as established by Company management and the Board from time to time. The provisions of this offer letter and all other documents referenced herein constitute the full and complete terms of your employment and supersede any prior representations or agreements by anyone, either oral or written. These terms of employment are not subject to change or modification of any kind, unless specified in writing, and signed by you and the Company's CEO or a member of the Board, as applicable.

Tax Matters

All forms of compensation referred to in this offer letter are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law. You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board related to tax liabilities arising from your compensation.

Company Successors

This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. Any such successor will within a reasonable period of becoming the successor assume in writing and be bound by all of the Company's obligations under this Agreement. For all purposes under this Agreement, the term "Company" shall include Esker Therapeutics, Inc. as well as any successor entity and to any successor to the Company's business or assets that becomes bound by this Agreement.

Acceptance of Employment

This offer of employment is contingent upon your completion, execution, and our receipt of all employment documents listed in this letter on or before your Start Date (see below), along with the successful clearance of a background check. You will receive an email from our background check vendor in the next few days asking you to authorize the initiation of this background check, which you will need to respond promptly to.

Once you have had an opportunity to consider this offer letter, please indicate your agreement with these terms and conditions of employment by providing a signed copy of your offer back to Foresite Labs.

The below documents will be provided to you by Human Resources upon acceptance of this letter agreement. In addition, we must receive acceptable proof of identification and authorization to work in the United States (part of the I-9 form listed below).

1. Background Check Release and Authorization (received via email through third party vendor)

2. Signed Proprietary Information and Inventions Agreement

3. Completed I-9 Form and documentation

4. Signed Dispute Resolution/Arbitration Agreement

This offer expires within ten (10) calendar days of the date of this letter unless the Company receives a signed copy within that period.

We are delighted to be able to extend this offer of employment to you and sincerely feel the Company can provide you with the opportunity to achieve rewarding results for both you and the Company. Please contact me with any questions. We look forward to working with you.

Sincerely,

/s/ Martin Babler
Martin Babler, President

I have read and understood this offer letter and hereby acknowledge, accept and agree to the terms as set forth above and attached and further acknowledge that no other commitments were made to me as part of my employment offer except as specifically set forth herein.

/s/ Roy Hardiman
Roy Hardiman

Date: September 15, 2021

ATTACHMENT A

Definitions, Terms and Conditions

1. Termination of Employment.

a. At-Will Employment. Your employment with the Company is at-will, meaning either you or the Company can terminate your employment at any time, with or without cause, and with or without notice. Neither you nor the Company can change the "at will" nature of your employment, unless the CEO or the Board of the Company and you sign a written contract that explicitly changes your status as an "at will" employee.

b. Payment & Benefits Upon Termination. Your entitlement to payment and benefits upon termination is as follows:

(i) Termination Without "Cause" or "Constructive Termination". If your employment is terminated involuntarily without Cause (as defined in Section 3(a), below) or in the event of your "Constructive Termination" (as defined in Section 3(c) below) and you are subject to a "Separation" under Section 409A (as defined in Section 4 below):

(A) you will receive payment for any earned and unpaid salary as of the date of your termination of employment; and,

(B) in the event you execute and do not revoke the general release of claims ("Release"), in the form attached hereto as Attachment B, you will be offered the Separation Compensation (as defined in Section 2, below). Subject to the terms of Section 7 below, You will not be entitled to or offered any form of additional severance pay or benefits other than the Separation Compensation (e.g., you will not be entitled to pay or benefits under any employee severance plan that is generally applicable to employees).

(ii) Voluntary Termination. If you voluntarily terminate your employment, or give notice that you will voluntarily terminate your employment at a future date (and whether or not the Company accelerates the effective date of your resignation date that you provide to an earlier termination date), you will receive payment(s) for all earned and unpaid salary. You will not be entitled to the Separation Compensation, or any other form of severance pay or benefits.

(iii) Termination for Cause. If your employment is terminated for Cause, you will receive payment(s) for all earned and unpaid salary as of your termination. You will not be entitled to the Separation Compensation, or any other form of severance pay or benefits.

2. Separation Compensation. If you are entitled to Separation Compensation under Section 1 above, your "Separation Compensation" will include each of the following, as well as the applicable vesting acceleration terms described in Section 7:

a. Salary Continuance. You will be offered pay equal to nine months of your regular base salary subject to applicable payroll deductions and withholdings ("Salary Continuance").

Your first salary continuance payment equal to one (1) month of your regular base salary shall commence on the thirtieth (30th) day following your termination of employment (unless a longer period is required by law to make the Release effective, in which case the first Salary Continuance payment shall be made on the sixtieth (60th) day following your termination of employment) provided the Release is effective at such time, and the remainder shall be paid in monthly installments beginning on the 1st day of the second month following your termination of employment, and on the 1st day of each month thereafter, until the total payment obligation is fulfilled. If the 60-day consideration and revocation period spans two calendar years, then the monthly installments will commence, if applicable, on the first payroll date in the second calendar year following expiration of the applicable revocation period.

b. **Acceleration of Vesting**. Subject to the terms of your applicable equity grant agreements, the vesting applicable to any equity grants made by the Company to you shall accelerate as to that number of shares underlying such equity grant or grants that would have vested on the first anniversary of the date your employment terminates, such acceleration effective immediately prior to such termination.

c. **Other Benefits**. The Company will reimburse you for your expenses in continuing medical insurance benefits for you and your family (meaning medical, dental, optical, and mental health, but not life, insurance) under the Company's then-existing benefit plans (or otherwise in obtaining coverage substantially comparable to the coverage provided to you prior to the termination) over the period beginning on the date your employment terminates and ending on the earlier of (a) your period of Salary Continuance as provided above, or (b) the date you commence employment with another entity.

3. **Definitions**.

a. **Cause**. For the purposes of this letter agreement, "Cause" means your "Separation" by the Company for any of the following reasons: (i) your willful or gross neglect and material failure to perform your duties and responsibilities to the Company, including but not limited to a failure to cooperate with the Company in any investigation or formal proceeding; (ii) your commission of any act of fraud, embezzlement, dishonesty or any other intentional misconduct in connection with your responsibilities as an employee that is materially injurious to the Company; (iii) the unauthorized use or disclosure by you of any proprietary information or trade secrets of the Company or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company; (iv) you are convicted of, or enter a no contest plea to, a felony; or (v) your breach of any of your material obligations under any Company policy, written agreement or covenant with the Company (including this letter agreement). A termination of employment under subparts (i), (iii) and (v) shall not be deemed cause unless you have first been given specific written notice of subpart and facts relied upon and thirty days to cure. The determination as to whether you are being terminated for Cause, and whether you have cured any such actions or inactions during any thirty day cure period with respect to subparts (i), (iii) and (v) and with respect to subpart (v) whether such breach is capable of being cured, shall be made in good faith by the Board of Directors. The foregoing definition does not in any way limit the Company's ability to terminate your employment at any time as provided in Section 1(a) above.

b. **Change of Control**. For purposes of this letter agreement, "Change of Control" of the Company is defined as: (i) the date any non-affiliated "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes, subsequent to the date hereof, the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities, other than pursuant to a sale by the Company of its securities in a transaction or series of related transactions the primary purpose of which is to raise capital for the Company; (ii) the date of the consummation of a merger or consolidation of the Company with any other corporation that has been approved by the stockholders of the Company, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (iii) the date of the consummation of the sale or disposition by the Company of all or substantially all the Company's assets.

c. **Constructive Termination**. For the purposes of this letter agreement, "Constructive Termination" means your Separation as the result of resignation for any of the following, except as otherwise agreed in writing by you: (i) a material reduction in your job duties, position and responsibilities, taken as a whole, other than in connection with an Excluded Change of Control; (ii) the Company requires you to relocate to a facility or location more than thirty-five (35) miles from the location from the primary location at which you were working for the Company immediately before the required change of location; (iii) any reduction of your base salary in effect immediately prior to such reduction (other than as part of an across-the-board, proportional reduction), or (iv) the Company materially breaches the terms of this Agreement. Notwithstanding anything else contained herein, in the event of the occurrence of a condition listed above you must provide notice to the Company within sixty (60) days of the occurrence of a condition listed above and allow the Company thirty (30) days after your delivery of notice to the Company in which to cure such condition. Additionally, in the event the Company fails to cure the condition within the cure period provided, you must terminate employment with the Company within ten (10) days of the end of the cure period.

d. **Excluded Change of Control**. For purposes of this letter agreement, an "Excluded Change of Control" shall mean (i) a Change of Control involving any transaction with Aclaris Therapeutics Inc. or (ii) a Change of Control with a a Special Purpose Acquisition Company formed by, or affiliated with, Foresite Capital Management or its affiliated funds (a "Foresite SPAC") within twelve months of your Start Date.

4. **Code Section 409A**. For purposes of this letter agreement, a "Separation" will be determined consistent with the rules relating to a "separation from service" as defined in Section 409A of the Code and the regulations thereunder ("Section 409A"). Notwithstanding anything else provided herein, to the extent any payments provided under this letter agreement in connection with your termination of employment constitute deferred compensation subject to Section 409A, and you are deemed at the time of such termination of employment to be a "specified employee" under Section 409A, then such payment shall not be made or commence until the earlier of (i) the expiration of the 6-month period measured from your Separation from the Company or (ii) the date of your death following such a Separation; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to you including, without limitation, the additional tax for which you would otherwise be liable under Section 409A(a)(1)(B) in the absence of such a deferral. The first payment thereof will include a catch-up payment covering the amount that would have otherwise been paid during the period between your termination of employment and the first payment date but for the application of this provision, and the balance of the installments (if any) will be payable in accordance with their original schedule. To the extent that any provision of this letter agreement is ambiguous as to its compliance with Section 409A, the provision will be read in such a manner so that all payments hereunder comply with Section 409A. To the extent any payment under this letter agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this section are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

5. **Code Section 280G**. In the event that the severance and any other benefits provided for in this letter agreement or otherwise payable to you (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then your benefits under this letter agreement shall be either:

a. delivered in full; or

b. delivered as to such lesser extent that would result in no portion of such benefits being subject to the Excise Tax, (with first a pro rata reduction of (i) cash payments subject to Section 409A of the Code as deferred compensation and (ii) cash payments not subject to Section 409A of the Code, and then a pro rata cancellation of (i) equity-based compensation subject to Section 409A of the Code as deferred compensation and (ii) equity-based compensation not subject to Section 409A of the Code), whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in your receipt on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code.

Unless you and the Company otherwise agree in writing, the determination of your excise tax liability and the amount required to be paid under this Section shall be made in writing by an accounting firm to be selected by reasonable agreement between you and the Company, whose determination shall be conclusive and binding upon you and the Company for all purposes. For purposes of making the calculations required by this Section, the accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Section 280G and 4999 of the Code. You and the Company shall furnish to the accountants such information and documents as the accountants may reasonably request in order to make a determination under this Section. The Company shall bear all costs the accountants may reasonably incur in connection with any calculations contemplated by this Section.

6. **Other Agreements**. This Attachment A sets forth the terms of the benefits you are eligible to receive in the event your employment with the Company is terminated in the manner described herein and supersedes any prior representations or agreements, whether written or oral. In the event of a conflict between the terms of this Attachment A and any other agreement you have entered into with the Company (including the cover letter to this Attachment A), the terms of this Attachment A shall apply. Notwithstanding the foregoing, in the event of a conflict between the terms of this Attachment A and the documents reflecting your Option, the terms of the equity documentation shall govern. The definitions, terms and conditions contained in this Attachment A may not be modified or amended except by a written agreement, signed by an authorized representative at the direction of the Board of Directors of the Company and by you.

7. **Change of Control Vesting Acceleration and Severance**. In the event of a Change of Control of the Company (other than an Excluded Change of Control), the Option shall vest with respect to 50% of any then unvested shares subject to the Option as of immediately prior to the closing of such Change of Control, provided you are still providing services to the Company at such time. In addition, if following a Change of Control you are subject to a Separation without Cause or a Constructive Termination within twelve months following such Change of Control, then the Option shall vest in full; for avoidance of doubt, a Change of Control under this sentence shall include an Excluded Change of Control. The additional vesting of the Option contemplated by the preceding sentence shall be effective on the effective date of the Release referenced in Section 1 required as a condition to Separation Compensation.

ATTACHMENT B

FORM OF
RELEASE AGREEMENT

This Release Agreement (this "Agreement") is dated as of _____ __, 202_ by and between Esker Therapeutics, Inc. (f/k/a FL2021-001, Inc.), a Delaware corporation (the "Company") and _____ ("Executive;" or "You" and together with the Company, the "Parties").

WHEREAS, the Company and Executive entered into an offer letter, dated _____ __, 2021 (the "Offer Letter");

WHEREAS, the Company and Executive now desire to terminate the Employee's employment as of_____ __, 202_ (the "Termination Date"); and

WHEREAS, this Agreement confirms the agreement between You and the Company regarding the termination of Your employment with the Company.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the Parties hereby agree as follows:

1. Resignation. You hereby resign as [INSERT TITLE] of the Company effective as of the Termination Date. You and the Company agree that Your termination is a Separation without Cause or a Constructive Termination (as such terms are defined in Attachment A to the Offer Letter).

2. Final Pay. On the Termination Date, the Company will pay You $_____, less all applicable withholdings. This amount represents all of Your salary earned through the Termination Date and all of Your accrued but unused vacation time or PTO. You acknowledge that, prior to the execution of this Agreement, and other than as set forth in Attachment A to Your Offer Letter, You are not entitled to receive any additional money from the Company, and that the only payments that You are entitled to receive from the Company in the future are those specified in this Agreement and Attachment A.

3. Separation Compensation. Pursuant to the terms of the Offer Letter, if You timely sign this Agreement and this Agreement becomes effective in accordance with Section 9 below, the Company will provide You with the Separation Compensation as defined and described in Attachment A to the Offer Letter within ten (10) days of the Effective Date (as defined below).

4. Benefits. Except as provided in Attachment A to Your Offer Letter, Your participation in all employee benefits plans and programs will end on the Termination Date. Under separate cover, You will receive information about Your rights, if any, to continue Your group health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA") after the Termination Date, including as provided in Attachment A. In order to continue Your coverage, You must file the required election form.

5. Company Shares. On or about _____, the Company issued You a stock option to purchase ___ shares of its common stock pursuant to the stock option agreement, dated [INSERT DATE] (the "Stock Option Agreement"). Currently, you are vested in _____ option shares subject to the Stock Option Agreement (the "Vested Option Shares"). Pursuant to Attachment A of Your Offer Letter and if this Agreement become effective in accordance with Section 9 below, you will vest in an additional _____ option shares subject to the Stock Option Agreement (the "Additional Vested Option Shares"). Except as otherwise provided in this Section 5, the Vested Option Shares and Additional Vested Option Shares remain subject to the Stock Option Agreement and stock option plan. You acknowledge and agree that other than the Vested Option Shares and Additional Vested Option Shares, You have no further rights to the Company's capital stock, or any rights to receive or vest in any additional shares of the Company capital stock.

6. Release of All Claims.

(a) Executive Release. In consideration for the Separation Compensation set forth in Section 3 (above)) and other benefits provided to You in this Agreement, to the fullest extent permitted by law, You waive, release and promise never to assert any claims or causes of action, whether or not now known, against the Company or its predecessors, successors or past or present subsidiaries, stockholders, directors, officers, employees, consultants, attorneys, agents, assigns, employee benefit plans, and each of their respective indirect and direct affiliates, stockholders, directors, officers, managers, members, employees, consultants, attorneys, agents and assigns with respect to any matter, including (without limitation) any matter related to Your employment with the Company, the termination of that employment, or Your ownership of the Company's capital stock, right to purchase or the actual purchase or receipt of shares of the Company's capital stock, including (without limitation) claims to attorneys' fees or costs, claims of wrongful discharge, constructive discharge, emotional distress, defamation, invasion of privacy, fraud, breach of contract or breach of the covenant of good faith and fair dealing and any claims of discrimination or harassment based on sex, age, race, national origin, disability or any other basis under Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, the California Fair Pay Act, the Equal Pay Act, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the National Labor Relations Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Workers Adjustment and Retraining Notification ("WARN") Act, the Families First Coronavirus Response Act, the CARES Act, the California WARN Act, and all other laws and regulations relating to employment. However, this release covers only those claims that arose prior to the execution of this Agreement and only those claims that may be waived by applicable law. Execution of this Agreement does not bar any claim that arises hereafter, including (without limitation) a claim for breach of this Agreement and does not bar any claim by Executive for indemnification by the Company for claims, losses or costs arising from or related to his service as an officer and director of the Company.

(b) Waiver. You expressly waive and release any and all rights and benefits under Section 1542 of the California Civil Code (or any analogous law of any other state), which reads as follows:

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

7. Exceptions. Nothing contained in this Agreement limits Your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). You further understand that this Agreement does not limit Your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit Your right to receive an award for information provided to any Government Agencies. However, You understand and agree that You shall not be entitled to, and shall not seek nor permit anyone to seek on Your behalf, any personal, equitable or monetary relief for any claims or causes of action released by You in this Agreement, to the fullest extent permitted by law.

8. No Admission. Nothing contained in this Agreement will constitute or be treated as an admission by You or the Company of liability, any wrongdoing or any violation of law.

9. Consideration and Revocation Period. You acknowledge that You have hereby been advised in writing to consult with an attorney of Your choice prior to signing this Agreement, and that You had at least twenty-one (21) days to consider this Agreement before signing it. You acknowledge that if this Agreement is signed before twenty-one (21) days have elapsed from the date of delivery, by signing this Agreement You have expressly waived the twenty-one (21)-day consideration period. You acknowledge that You may revoke this Agreement within seven (7) days following its execution, and the Agreement shall not become effective until the revocation period has expired. If You do not revoke this Agreement, the eighth day after the date You sign the Agreement will be the "Effective Date."

10. Section 409A. Any amount paid under this Agreement is intended to satisfy the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition before actual payment to Executive under Section 409A. For purposes of this Agreement, each of the salary continuation payments provided for in Section 3(a) to be made to You under this Agreement is designated as a separate payment under Section 409A.

11. Opportunity to Seek Counsel. Executive acknowledges by signing this Agreement that he/she has read and understands this document, that he/she has conferred with or had the opportunity to confer with an attorney of his choice regarding the terms and meaning of this Agreement, that he/she has had sufficient time to consider the terms provided for in this Agreement, that no representations or inducements have been made to his/her as set forth herein, and that he/she has signed the same knowingly and voluntarily.

12. Confidentiality. You agree that You will not disclose to others the existence or terms of this Agreement, except that You may disclose such information to your spouse, attorney or tax adviser if such individuals agree that they will not disclose to others the existence or terms of this Agreement.

13. Company Property. You represent that You will return to the Company all property that belongs to the Company, including (without limitation) copies of documents that belong to the Company and files stored on your computer(s) that contain information belonging to the Company on or before the Termination Date.

14. Mutual Non-Disparagement/Public Statements. You agree that You will never make any negative or disparaging statements (orally or in writing) about the Company or its predecessors, successors or past or present subsidiaries, stockholders, directors, officers, employees, consultants, attorneys, agents, assigns, employee benefit plans, and each of their respective affiliates, stockholders, directors, officers, managers, members, employees, consultants, attorneys, agents and assigns, except as required by law. The Company shall direct its officers and directors to not make any negative or disparaging statements (orally or in writing) about You. You agree to cooperate with the Company and its public relations firm on all external and internal communications regarding your termination. You agree that You will not provide any interviews or statements relating to your termination or otherwise to the Company without obtaining Board approval prior to providing any such interviews or statements.

15. Assignment. This Agreement will be binding upon and inure to the benefit of (a) the heirs, executors and legal representatives of Executive upon Executive's death and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. None of the rights of Executive to receive any form of compensation payable pursuant to this Agreement may be assigned or transferred except by will or the laws of descent and distribution. Any other attempted assignment, transfer, conveyance or other disposition of Executive's right to compensation or other benefits will be null and void.

16. Notices. All notices, requests, demands and other communications called for hereunder will be in writing and will be deemed given (a) on the date of delivery if delivered personally, (b) one (1) day after being sent by a well-established commercial overnight service, or (c) four (4) days after being mailed by registered or certified mail, return receipt requested, prepaid and addressed to the Parties or their successors at the following addresses, or at such other addresses as the Parties may later designate in writing:

If to the Company:
Esker Therapeutics, Inc.
Attn: Chair of the Board of Directors

If to Executive: Last address on file with the Company.

17. Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement will continue in full force and effect without said provision. In the event that a court of competent jurisdiction shall determine that any provision of this Agreement or the application thereof is unenforceable in whole or in part because of the duration or scope thereof, the Parties hereto agree that said court in making such determination shall have the power to reduce the duration and scope of such provision to the extent necessary to make it enforceable, and that the Agreement in its reduced form shall be valid and enforceable to the full extent permitted by law.

18. Other Agreements. At all times in the future, You will remain bound by the Proprietary Information and Inventions Agreement (the "PIIA") with the Company that You signed on or about _____ __, 2021, a copy of which is attached as **Exhibit I**. This Agreement, which incorporates the PIIA, represents the entire agreement and understanding between the Parties as to the subject matter herein and supersedes all prior or contemporaneous agreements whether written or oral, including, without limitation, the Offer Letter and the Dispute Resolution/Arbitration Agreement, dated _____ __, 2021. This Agreement may be modified only in a written document signed by Executive and a duly authorized officer of the Company.

19. Governing Law/Jurisdiction. The terms of this Agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this Agreement or arising out of, related to, or in any way connected with, this Agreement, Your employment with the Company or any other relationship between You and the Company (the "Disputes") will be governed by California law, excluding laws relating to conflicts or choice of law. Executive and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in San Francisco, California in connection with any Dispute or any claim related to any Dispute.

20. Waiver of Breach. The waiver of a breach of any term or provision of this Agreement, which must be in writing, will not operate as or be construed to be a waiver of any other previous or subsequent breach of this Agreement.

21. Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

22. Tax Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable taxes.

23. Counterparts. This Agreement may be executed in counterparts, and each counterpart will have the same force and effect as an original and will constitute an effective, binding agreement on the part of each of the undersigned. Execution of a facsimile copy will have the same force and effect as execution of an original, and a facsimile signature will be deemed an original and valid signature.

[Signature Page to Follow]

IN WITNESS WHEREOF, each of the Parties has executed this Agreement, in the case of the Company by their duly authorized officers, as of the day and year first above written.

ESKER THERAPEUTICS, INC.:

Date: _____

By: _____
Name: _____
Title: _____

I agree to the terms of this Agreement, and I am voluntarily signing this release of all claims. I acknowledge that I have read and understand this Agreement, and I understand that I cannot pursue any of the claims and rights that I have waived in this Agreement at any time in the future.

EXECUTIVE:

Date: _____

Name: _____

EXHIBIT I

PIIA

Exhibit 10.16

Certain information has been excluded from this agreement (indicated by "[***]") because such information is both not material and the type that the registrant customarily and actually treats as private or confidential.

Mark Bradley
via email: [***]

Re: Offer of Employment

Dear Mark,

We are pleased to present this offer of employment for the position of Chief Development Officer of FL2021-001, Inc. (the "Company"). This is a full-time, exempt position, carrying considerable responsibility and is integral to the development and success of the Company's business. We are excited about your interest in joining the Company full-time. This letter agreement formally presents the specifics of our offer for your consideration:

Title:	Chief Development Officer
Base Pay:	$360,000.00 per Year
Status:	Full-Time Employee, Exempt
Reports to:	June Lee
Start Date:	March 15, 2021

Scope of Work

As Chief Development Officer, you will join the Company to focus on the Company's product development strategies and operations and its regulatory and quality efforts. You will provide key strategic guidance to the product development team. As a member of the senior leadership team, you will also contribute to the overall Company strategy and represent FL-2021 to external audiences and investors as well as perform other duties as requested by the Chief Executive Officer ("CEO") of the Company. You will report directly to June Lee, CEO of the Company, and will principally work from the Company's facility, which will be located in the San Francisco area. Subject to your right to receive severance upon a Constructive Termination (as defined herein), the Company may change your position, duties, and work location or reporting structure from time to time at its discretion.

Professional Contribution

You agree that you will, at all times and to the best of your abilities, loyally and conscientiously perform all of the duties and obligations required of you pursuant to the express and implicit terms of this letter, and to the reasonable satisfaction of the Company. You further agree that during your term of employment, you will devote all of your business time and attention to the business of the Company and that the Company will be entitled to all of the benefits and profits arising from or incidental to all your work, services and advice. You agree that you will not provide commercial or professional services of any nature to any other person or organization, whether or not for compensation, without the prior written consent of the Company. You further agree that during your employment with the Company, you will not directly or indirectly engage or participate in any business that is competitive, in any manner, with the business of the Company.

At-Will Employment Status

Your employment with the Company will be "at-will" and will continue only so long as continued employment is mutually agreeable to you and the Company. While we are extending this offer with the hope you will stay and enhance your career with us, either you or the Company may modify the terms of or terminate the employment relationship at any time, for any reason, with or without notice or cause, subject to the provisions of Attachment A which are incorporated herein

Compensation

1. Base Salary. You will be paid a Base Salary of $360,000.00 per Year. Your base salary will be payable pursuant to the Company's regular payroll policy.

2. Bonus: You will be eligible for a discretionary cash bonus targeted at 30% of your base salary, payable in accordance with this paragraph. Payment of the discretionary bonus will be at the discretion of the Company's Board of Directors and subject to many variables, especially the success of the Company and your contribution towards that success. Target bonuses are currently paid on a fiscal year schedule in Q1 of each year and are prorated for partial year service, and you must be an employee of the Company on the date of payment.

3. Equity: Subject to Board approval, you will be granted the right to purchase 290,000 shares of the Company's common stock. Your grant will be subject to vesting based on service time provided to the Company, with one-quarter vesting on the one year anniversary of your start date with the Company, and the balance vesting in equal monthly installments over the three years thereafter (i.e., a customary 4-year vesting schedule with a one-year "cliff"), as provided in the stock purchase agreement prepared in respect of this equity award. In addition, as further described below in Attachment A and in your stock purchase agreement, your common stock will be subject to "double trigger" vesting acceleration.

4. Salary Review. Your Base Salary will be reviewed annually as part of the Company's normal salary review process.

Employee Benefits

The Company is in the process of determining its benefits programs. It is anticipated that the Company's benefits programs will include competitive medical, dental, vision, commuter reimbursement, flexible time off and a holiday schedule. It is expected that these programs will be effective in the first half of 2021. You will be eligible to participate in these benefits programs on the same terms as the Company's other executives. For the period between start date and commencement of the Company's benefits programs, the Company will reimburse you for your actual COBRA costs for medical, dental and vision insurance for you and your family up to a maximum of $2,000/month upon submitted receipts, grossed up to account for taxes. Availability, terms and the associated eligibility requirements of our benefit programs are subject to change with or without notice.

Proprietary Information and Inventions Agreement

Your acceptance of this offer and commencement of employment with the Company is contingent upon the execution, and delivery to an officer of the Company, of the Company's Proprietary Information and Inventions Agreement (the "PIIA"), prior to or on your Start Date.

Non-Competition/Non-Solicitation

Prior to accepting this offer, you must disclose in writing to the undersigned the existence of any employment agreement, non-compete or non-solicitation agreement, confidentiality or similar agreement(s) with a current or former employer that in any way would restrict or prohibit your performance of any duties or responsibilities with the Company.

Employee Policies

Details of the basic Company policies are under development and will be presented for your acknowledgment as soon as practicable following your Start Date. The provisions of this offer letter and all other documents referenced herein constitute the full and complete terms of your employment and supersede any prior representations or agreements by anyone, either oral or written. These terms of employment are not subject to change or modification of any kind, unless specified in writing, and signed by you and the Company's CEO.

Tax Matters

All forms of compensation referred to in this offer letter are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law. You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board of Directors related to tax liabilities arising from your compensation.

Acceptance of Employee

This offer of employment is contingent upon your completion, execution, and our receipt of all employment documents listed in this letter on or before your Start Date (see below), along with the successful clearance of a background check. You will receive an email from our background check vendor in the next few days asking you to authorize the initiation of this background check, which you will need to respond promptly to.

Once you have had an opportunity to consider this offer letter, please indicate your agreement with these terms and conditions of employment by providing a signed copy of your offer back to the Company's CEO.

The below documents will be provided to you upon acceptance of this letter agreement. In addition, we must receive acceptable proof of identification and authorization to work in the United States (part of the I-9 form listed below).

1. Background Check Release and Authorization (received via email through third party vendor)
2. Signed Proprietary Information and Inventions Agreement
3. Completed I-9 Form and documentation
4. Signed Dispute Resolution/Arbitration Agreement

This offer expires within ten (10) calendar days of the date of this letter unless the Company receives a signed copy within that period.

We are delighted to be able to extend this offer of employment to you and sincerely feel the Company can provide you with the opportunity to achieve rewarding results for both you and the Company. Please contact me with any questions. We look forward to working with you.

Sincerely,

/s/ June H Lee

June Lee, MD FACCP
Chief Executive Officer

I have read and understood this offer letter and hereby acknowledge, accept and agree to the terms as set forth above and attached and further acknowledge that no other commitments were made to me as part of my employment offer except as specifically set forth herein.

/s/ Mark Bradley

Mark Bradley

ATTACHMENT A

Definitions, Terms and Conditions

1. Termination of Employment.

a. At-Will Employment. Your employment with the Company is at-will, meaning either you or the Company can terminate your employment at any time, with or without cause, and with or without notice. Neither you nor the Company can change the "at will" nature of your employment, unless the CEO of the Company and you sign a written contract that explicitly changes your status as an "at will" employee.

b. Payment & Benefits Upon Termination. Your entitlement to payment and benefits upon termination is as follows:

(i) Termination Without "Cause" or "Constructive Termination". If your employment is terminated involuntarily without Cause (as defined in Section 3(a), below) or in the event of your "Constructive Termination" (as defined in Section 3(c) below):

(A) you will receive payment for any earned and unpaid salary as of the date of your termination of employment; and,

(B) in the event you execute and do not revoke a separation agreement, including a general release of claims ("Release"), to be drafted by the Company, you will be offered the Separation Compensation (as defined in Section 2, below). You will not be entitled to or offered any form of additional severance pay or benefits other than the Separation Compensation (e.g., you will not be entitled to pay or benefits under any employee severance plan that is generally applicable to employees).

(ii) Voluntary Termination. If you voluntarily terminate your employment, or give notice that you will voluntarily terminate your employment at a future date (and whether or not the Company accelerates the effective date of your resignation date that you provide to an earlier termination date), you will receive payment(s) for all earned and unpaid salary. You will not be entitled to the Separation Compensation, or any other form of severance pay or benefits.

(iii) Termination for Cause. If your employment is terminated for Cause, you will receive payment(s) for all earned and unpaid salary as of your termination. You will not be entitled to the Separation Compensation, or any other form of severance pay or benefits.

2. Separation Compensation. If you are entitled to Separation Compensation under Section 1 above, your "Separation Compensation" will include each of the following:

a. Salary Continuance. You will be offered pay equal to six (6) months of your regular base salary subject to applicable payroll deductions and withholdings ("Salary Continuance"); provided, however, that should your Termination without Cause or your Constructive Termination occur within the period beginning two months prior to and ending twelve months following a Change of Control, you may be required by the successor entity (at its sole discretion) to continue your employment for up to three (3) months from the date of a Change of Control in order to be eligible to receive the Salary Continuance. Subject to the foregoing, the first salary continuance payment equal to three (3) months of your regular base salary shall commence on the thirtieth (30th) day following your termination of employment (unless a longer period is required by law to make the Release effective, in which case the first Salary Continuance payment shall be made on the sixtieth (60th) day following your termination of employment) provided the Release is effective at such time, and the remainder shall be paid in monthly installments beginning on the 1st day of the fourth month following your termination of employment, and on the 1st day of each month thereafter, until the total payment obligation is fulfilled. If the 60- day consideration and revocation period spans two calendar years, then the monthly installments will commence, if applicable, on the first payroll date in the second calendar following expiration of the applicable revocation period.

b. **Other Benefits.** The Company will reimburse you for your expenses in continuing medical insurance benefits for you and your family (meaning medical, dental, optical, and mental health, but not life, insurance) under the Company's then- existing benefit plans (or otherwise in obtaining coverage substantially comparable to the coverage provided to you prior to the termination) over the period beginning on the date your employment terminates and ending on the earlier of (a) your period of Salary Continuance as provided above, or (b) the date you commence employment with another entity; provided, however, that should your termination without Cause or your Constructive Termination occur within the period beginning two months prior to and ending twelve months following a Change of Control, you may be required by the successor entity (at its sole discretion) to continue your employment for up to three (3) months from the date of a Change of Control in order to be eligible to receive such other benefits.

c. **Double Trigger Acceleration of Vesting.** In the event that, within three (3) months following a change of Control of the Company, your service to the Company is terminated involuntarily without Cause or due to a Constructive Termination, subject to the terms of your applicable equity grant agreements, the vesting applicable to any equity grants made to you shall accelerate (or applicable repurchase rights with respect to such shares underlying such equity grants shall lapse) as to 100% of the unvested shares underlying such equity grant or grants at the time of termination, such acceleration effective immediately prior to such termination, provided that that all conditions to Separation Compensation are met including execution of the Release.

3. **Definitions.**

a. **Cause.** For the purposes of this letter agreement, "Cause" for termination of your employment will exist if you are terminated for any of the following reasons: (i) your material failure to perform your duties and responsibilities to the Company, including but not limited to a failure to cooperate with the Company in any investigation or formal proceeding; (i) your commission of any act of fraud, embezzlement, dishonesty or any other intentional misconduct; (iii) the unauthorized use or disclosure by you of any proprietary information or trade secrets of the Company or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company; (iv) you are convicted of, or enter a no contest plea to, a felony; or (v) your breach of any of your material obligations under any Company policy, written policy or agreement with the Company (including this letter agreement). The determination as to whether you are being terminated for Cause shall be made in good faith by the Board of Directors of the Company. The foregoing definition does not in any way limit the Company's ability to terminate your employment at any time as provided in Section l(a) above.

b. **Change of Control.** For purposes of this letter agreement, "Change of Control" of the Company is defined as: (i) the date any non-Labs affiliated "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes, subsequent to the date hereof, the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities, other than pursuant to a sale by the Company of its securities in a transaction or series of related transactions the primary purpose of which is to raise capital for the Company; (ii) the date of the consummation of a merger or consolidation of the Company with any other corporation that has been approved by the stockholders of the Company, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (iii) the date of the consummation of the sale or disposition by the Company of all or substantially all the Company's assets.

c. **Constructive Termination.** For the purposes of this letter agreement, "Constructive Termination" means the termination of your employment by you following (except as otherwise agreed by you): (i) material breach by the Company of any agreement between you and the Company; (ii) material reduction of your duties, position or responsibilities, taken as a whole, other than by virtue of the Company being acquired and made part of a larger entity; (iii) material reduction your base salary and/or bonus potential other than as part of a similar reduction for substantially all employees or substantially all senior officers; or (iv) relocation of your business office to another location more than fifty (50) miles away and outside the greater San Francisco area, provided such relocation also materially increases your commuting distance, and provided that no relocation will constitute a Construction Termination if you are allowed to continue to provide services remotely (e.g., through telecommuting) at the time of the relocation. Notwithstanding anything else contained herein, in the event of the occurrence of a condition listed above you must provide notice to the Company within sixty (60) days of the occurrence of a condition listed above and allow the Company thirty (30) days after your delivery of notice to the Company in which to cure such condition. Additionally, in the event the Company fails to cure the condition within the cure period provided, you must terminate employment with the Company within ten (10) days of the end of the cure period.

4. **Code Section 409A.** For purposes of this letter agreement, a termination of employment will be determined consistent with the rules relating to a "separation from service" as defined in Section 409A of the Code and the regulations thereunder ("Section 409A"). Notwithstanding anything else provided herein, to the extent any payments provided under this letter agreement in connection with your termination of employment constitute deferred compensation subject to Section 409A, and you are deemed at the time of such termination of employment to be a "specified employee" under Section 409A, then such payment shall not be made or commence until the earlier of (i) the expiration of the 6-month period measured from your separation from service from the Company or (ii) the date of your death following such a separation from service; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to you including, without limitation, the additional tax for which you would otherwise be liable under Section 409A(a)(1)(B) in the absence of such a deferral. The first payment thereof will include a catch-up payment covering the amount that would have otherwise been paid during the period between your termination of employment and the first payment date but for the application of this provision, and the balance of the installments (if any) will be payable in accordance with their original schedule. To the extent that any provision of this letter agreement is ambiguous as to its compliance with Section 409A, the provision will be read in such a manner so that all payments hereunder comply with Section 409A. To the extent any payment under this letter agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this section are intended to constitute separate payments for purposes of Section l.409A-2(b)(2) of the Treasury Regulations.

5. Code Section 280G. In the event that the severance and other benefits provided for in this letter agreement or otherwise payable to you (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then your benefits under this letter agreement shall be either:

a. delivered in full; or

b. delivered as to such lesser extent that would result in no portion of such benefits being subject to the Excise Tax, (with first a pro rata reduction of (i) cash payments subject to Section 409A of the Code as deferred compensation and (ii) cash payments not subject to Section 409A of the Code, and then a pro rata cancellation of (i) equity- based compensation subject to Section 409A of the Code as deferred compensation and (ii) equity-based compensation not subject to Section 409A of the Code), whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in your receipt on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code.

Unless you and the Company otherwise agree in writing, the determination of your excise tax liability and the amount required to be paid under this Section shall be made in writing by an accounting firm to be selected by reasonable agreement between you and the Company, whose determination shall be conclusive and binding upon you and the Company for all purposes. For purposes of making the calculations required by this Section, the accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Section 280G and 4999 of the Code. You and the Company shall furnish to the accountants such information and documents as the accountants may reasonably request in order to make a determination under this Section. The Company shall bear all costs the accountants may reasonably incur in connection with any calculations contemplated by this Section.

6. Other Agreements. This Attachment A sets forth the terms of the benefits you are eligible to receive in the event your employment with the Company is terminated in the manner described herein and supersedes any prior representations or agreements, whether written or oral. In the event of a conflict between the terms of this Attachment A and any other agreement you have entered into with the Company (including the cover letter to this Attachment A), the terms of this Attachment A shall apply. Notwithstanding the foregoing, in the event of a conflict between the terms of this Attachment A and the documents reflecting your equity grant in the Company, the terms of the equity documentation shall govern. The definitions, terms and conditions contained in this Attachment A may not be modified or amended except by a written agreement, signed by an authorized representative of the Company and by you.

Exhibit 10.17

AMENDMENT TO OFFER LETTER

This Amendment to Offer Letter is made and entered into effective as of July 17, 2023 (the "Amendment Effective Date"), by and between Alumis Inc., a company organized under the laws of Delaware (the "Company"), and its Chief Development Officer Mark Bradley.

WHEREAS, the parties entered into an Offer Letter for employment dated March 15, 2021 (the "Offer Letter"); and

WHEREAS, the parties now wish to amend the Offer Letter;

NOW, THEREFORE, the parties agree as follows:

1. Attachment A of the Offer Letter shall be replaced by the attached Attachment A.

The parties agree to the foregoing terms effective as of the Amendment Effective Date.

MARK BRADLEY

Signature: */s/ Mark Bradley*

Date: 7/18/2023 | 11:50 AM PDT

ALUMIS INC.

By: */s/ Martin Babler*

Name: Martin Babler

Title: President and Chief Executive Officer

Date: 7/18/2023 | 11:45 AM PDT

ATTACHMENT A

Definitions, Terms and Conditions

1. Termination of Employment.

a. At-Will Employment. Your employment with the Company is at-will, meaning either you or the Company can terminate your employment at any time, with or without cause, and with or without notice. Neither you nor the Company can change the "at will" nature of your employment, unless the CEO or the Board of the Company and you sign a written contract that explicitly changes your status as an "at will" employee.

b. Payment & Benefits Upon Termination. Your entitlement to payment and benefits upon termination is as follows:

(i) Termination Without "Cause" or "Constructive Termination". If your employment is terminated involuntarily without Cause (as defined in 3.a, below) or in the event of your "Constructive Termination" (as defined in Section 3.c below) and you are subject to a "Separation" under Section 409A (as defined in Section 4 below):

(A) you will receive payment for any earned and unpaid salary as of the date of your termination of employment; and,

(B) in the event you execute and do not revoke the general release of claims ("Release"), in the form attached hereto as Attachment B, you will be offered the Separation Compensation (as defined in Section 2, below). Subject to the terms of Section 7 below, You will not be entitled to or offered any form of additional severance pay or benefits other than the Separation Compensation (e.g., you will not be entitled to pay or benefits under any employee severance plan that is generally applicable to employees).

(ii) Voluntary Termination. If you voluntarily terminate your employment or give notice that you will voluntarily terminate your employment at a future date (and whether or not the Company accelerates the effective date of your resignation date that you provide to an earlier termination date), you will receive payment(s) for all earned and unpaid salary. You will not be entitled to the Separation Compensation, or any other form of severance pay or benefits.

(iii) Termination for Cause. If your employment is terminated for Cause, you will receive payment(s) for all earned and unpaid salary as of your termination. You will not be entitled to the Separation Compensation, or any other form of severance pay or benefits.

2. Separation Compensation. If you are entitled to Separation Compensation under Section 1 above, your "Separation Compensation" will include each of the following, as well as the applicable vesting acceleration terms described in Section 7:

a. Salary Continuance. You will be offered pay equal to nine months of your regular base salary subject to applicable payroll deductions and withholdings ("Salary Continuance").

Your first salary continuance payment equal to one (1) month of your regular base salary shall commence on the thirtieth (30th) day following your termination of employment (unless a longer period is required by law to make the Release effective, in which case the first Salary Continuance payment shall be made on the sixtieth (60th) day following your termination of employment) provided the Release is effective at such time, and the remainder shall be paid in monthly installments beginning on the 1st day of the second month following your termination of employment, and on the 1st day of each month thereafter, until the total payment obligation is fulfilled. If the 60-day consideration and revocation period spans two calendar years, then the monthly installments will commence, if applicable, on the first payroll date in the second calendar year following expiration of the applicable revocation period.

b. **Acceleration of Vesting**. Subject to the terms of your applicable equity grant agreements, the vesting applicable to any equity grants made by the Company to you shall accelerate as to that number of shares underlying such equity grant or grants that would have vested on the first anniversary of the date your employment terminates, such acceleration effective immediately prior to such termination.

c. **Other Benefits**. The Company will reimburse you for your expenses in continuing medical insurance benefits for you and your family (meaning medical, dental, optical, and mental health, but not life, insurance) under the Company's then-existing benefit plans (or otherwise in obtaining coverage substantially comparable to the coverage provided to you prior to the termination) over the period beginning on the date your employment terminates and ending on the earlier of (a) your period of Salary Continuance as provided above, or (b) the date you commence employment with another entity.

3. **Definitions**.

a. **Cause**. For the purposes of this letter agreement, "Cause" means your "Separation" by the Company for any of the following reasons: (i) your willful or gross neglect and material failure to perform your duties and responsibilities to the Company, including but not limited to a failure to cooperate with the Company in any investigation or formal proceeding; (ii) your commission of any act of fraud, embezzlement, dishonesty or any other intentional misconduct in connection with your responsibilities as an employee that is materially injurious to the Company; (iii) the unauthorized use or disclosure by you of any proprietary information or trade secrets of the Company or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company; (iv) you are convicted of, or enter a no contest plea to, a felony; or (v) your breach of any of your material obligations under any Company policy, written agreement or covenant with the Company (including this letter agreement). A termination of employment under subparts (i), (iii) and (v) shall not be deemed cause unless you have first been given specific written notice of subpart and facts relied upon and thirty days to cure. The determination as to whether you are being terminated for Cause, and whether you have cured any such actions or inactions during any thirty day cure period with respect to subparts (i), (iii) and (v) and with respect to subpart (v) whether such breach is capable of being cured, shall be made in good faith by the Board of Directors. The foregoing definition does not in any way limit the Company's ability to terminate your employment at any time as provided in Section 1.a above.

b. **Change of Control**. For purposes of this letter agreement, "Change of Control" of the Company is defined as: (i) the date any non-affiliated "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes, subsequent to the date hereof, the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities, other than pursuant to a sale by the Company of its securities in a transaction or series of related transactions the primary purpose of which is to raise capital for the Company; (ii) the date of the consummation of a merger or consolidation of the Company with any other corporation that has been approved by the stockholders of the Company, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (iii) the date of the consummation of the sale or disposition by the Company of all or substantially all the Company's assets.

c. **Constructive Termination**. For the purposes of this letter agreement, "Constructive Termination" means your Separation as the result of resignation for any of the following, except as otherwise agreed in writing by you: (i) a material reduction in your job duties, position and responsibilities, taken as a whole, other than in connection with an Excluded Change of Control; (ii) the Company requires you to relocate to a facility or location more than thirty-five (35) miles from the location from the primary location at which you were working for the Company immediately before the required change of location; (iii) any reduction of your base salary in effect immediately prior to such reduction (other than as part of an across-the-board, proportional reduction), or (iv) the Company materially breaches the terms of this Agreement. Notwithstanding anything else contained herein, in the event of the occurrence of a condition listed above you must provide notice to the Company within sixty (60) days of the occurrence of a condition listed above and allow the Company thirty (30) days after your delivery of notice to the Company in which to cure such condition. Additionally, in the event the Company fails to cure the condition within the cure period provided, you must terminate employment with the Company within ten (10) days of the end of the cure period.

d. **Excluded Change of Control**. For purposes of this letter agreement, an "Excluded Change of Control" shall mean (i) a Change of Control involving any transaction with Aclaris Therapeutics Inc. or (ii) a Change of Control with a Special Purpose Acquisition Company formed by, or affiliated with, Foresite Capital Management or its affiliated funds (a "Foresite SPAC") on or prior to September 15, 2023.

4. **Code Section 409A**. For purposes of this letter agreement, a "Separation" will be determined consistent with the rules relating to a "separation from service" as defined in Section 409A of the Code and the regulations thereunder ("Section 409A"). Notwithstanding anything else provided herein, to the extent any payments provided under this letter agreement in connection with your termination of employment constitute deferred compensation subject to Section 409A, and you are deemed at the time of such termination of employment to be a "specified employee" under Section 409A, then such payment shall not be made or commence until the earlier of (i) the expiration of the 6-month period measured from your Separation from the Company or (ii) the date of your death following such a Separation; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to you including, without limitation, the additional tax for which you would otherwise be liable under Section 409A(a)(1)(B) in the absence of such a deferral. The first payment thereof will include a catch-up payment covering the amount that would have otherwise been paid during the period between your termination of employment and the first payment date but for the application of this provision, and the balance of the installments (if any) will be payable in accordance with their original schedule. To the extent that any provision of this letter agreement is ambiguous as to its compliance with Section 409A, the provision will be read in such a manner so that all payments hereunder comply with Section 409A. To the extent any payment under this letter agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this section are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

5. **Code Section 280G**. In the event that the severance and any other benefits provided for in this letter agreement or otherwise payable to you (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then your benefits under this letter agreement shall be either:

a. delivered in full; or

b. delivered as to such lesser extent that would result in no portion of such benefits being subject to the Excise Tax, (with first a pro rata reduction of (i) cash payments subject to Section 409A of the Code as deferred compensation and (ii) cash payments not subject to Section 409A of the Code, and then a pro rata cancellation of (i) equity-based compensation subject to Section 409A of the Code as deferred compensation and (ii) equity-based compensation not subject to Section 409A of the Code), whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in your receipt on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code.

Unless you and the Company otherwise agree in writing, the determination of your excise tax liability and the amount required to be paid under this Section shall be made in writing by an accounting firm to be selected by reasonable agreement between you and the Company, whose determination shall be conclusive and binding upon you and the Company for all purposes. For purposes of making the calculations required by this Section, the accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Section 280G and 4999 of the Code. You and the Company shall furnish to the accountants such information and documents as the accountants may reasonably request in order to make a determination under this Section. The Company shall bear all costs the accountants may reasonably incur in connection with any calculations contemplated by this Section.

6. Other Agreements. This Attachment A sets forth the terms of the benefits you are eligible to receive in the event your employment with the Company is terminated in the manner described herein and supersedes any prior representations or agreements, whether written or oral. In the event of a conflict between the terms of this Attachment A and any other agreement you have entered into with the Company (including the cover letter to this Attachment A), the terms of this Attachment A shall apply. Notwithstanding the foregoing, in the event of a conflict between the terms of this Attachment A and the documents reflecting your Option, the terms of the equity documentation shall govern. The definitions, terms and conditions contained in this Attachment A may not be modified or amended except by a written agreement, signed by an authorized representative at the direction of the Board of Directors of the Company and by you.

7. Change of Control Vesting Acceleration and Severance. In the event of a Change of Control of the Company (other than an Excluded Change of Control), the Option shall vest with respect to 50% of any then unvested shares subject to the Option as of immediately prior to the closing of such Change of Control, provided you are still providing services to the Company at such time. In addition, if following a Change of Control you are subject to a Separation without Cause or a Constructive Termination within twelve months following such Change of Control, then the Option shall vest in full; for avoidance of doubt, a Change of Control under this sentence shall include an Excluded Change of Control. The additional vesting of the Option contemplated by the preceding sentence shall be effective on the effective date of the Release referenced in Section 1 required as a condition to Separation Compensation.

ATTACHMENT B

FORM OF
RELEASE AGREEMENT

This Release Agreement (this "Agreement") is dated as of _____, 202_ by and between Alumis Inc. (the "Company") and ("Executive;" or "You" and together with the Company, the "Parties").

WHEREAS, the Company and Executive entered into an offer letter, dated _____ __, 202__ (the "Offer Letter");

WHEREAS, the Company and Executive now desire to terminate the Employee's employment as of _____ __, 202__ (the "Termination Date"); and

WHEREAS, this Agreement confirms the agreement between You and the Company regarding the termination of Your employment with the Company.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the Parties hereby agree as follows:

1. Resignation. You hereby resign as [INSERT TITLE] of the Company effective as of the Termination Date. You and the Company agree that Your termination is a Separation without Cause or a Constructive Termination (as such terms are defined in Attachment A to the Offer Letter).

2. Final Pay. On the Termination Date, the Company will pay You $_____ __, less all applicable withholdings. This amount represents all of Your salary earned through the Termination Date and all of Your accrued but unused vacation time or PTO. You acknowledge that, prior to the execution of this Agreement, and other than as set forth in Attachment A to Your Offer Letter, You are not entitled to receive any additional money from the Company, and that the only payments that You are entitled to receive from the Company in the future are those specified in this Agreement and Attachment A.

3. Separation Compensation. Pursuant to the terms of the Offer Letter, if You timely sign this Agreement and this Agreement becomes effective in accordance with Section 9 below, the Company will provide You with the Separation Compensation as defined and described in Attachment A to the Offer Letter within ten (10) days of the Effective Date (as defined below).

4. Benefits. Except as provided in Attachment A to Your Offer Letter, Your participation in all employee benefits plans and programs will end on the Termination Date. Under separate cover, You will receive information about Your rights, if any, to continue Your group health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA") after the Termination Date, including as provided in Attachment A. In order to continue Your coverage, You must file the required election form.

5. Company Shares. On or about _____, the Company issued You a stock option to purchase _____ shares of its common stock pursuant to the stock option agreement, dated [INSERT DATE] (the "Stock Option Agreement"). Currently, you are vested in _____ option shares subject to the Stock Option Agreement (the "Vested Option Shares"). Pursuant to Attachment A of Your Offer Letter and if this Agreement become effective in accordance with Section 9 below, you will vest in an additional _____ option shares subject to the Stock Option Agreement (the "Additional Vested Option Shares"). Except as otherwise provided in this Section 5, the Vested Option Shares and Additional Vested Option Shares remain subject to the Stock Option Agreement and stock option plan. You acknowledge and agree that other than the Vested Option Shares and Additional Vested Option Shares, You have no further rights to the Company's capital stock, or any rights to receive or vest in any additional shares of the Company capital stock.

6. Release of All Claims.

(a) Executive Release. In consideration for the Separation Compensation set forth in Section 3 (above) and other benefits provided to You in this Agreement, to the fullest extent permitted by law, You waive, release and promise never to assert any claims or causes of action, whether or not now known, against the Company or its predecessors, successors or past or present subsidiaries, stockholders, directors, officers, employees, consultants, attorneys, agents, assigns, employee benefit plans, and each of their respective indirect and direct affiliates, stockholders, directors, officers, managers, members, employees, consultants, attorneys, agents and assigns with respect to any matter, including (without limitation) any matter related to Your employment with the Company, the termination of that employment, or Your ownership of the Company's capital stock, right to purchase or the actual purchase or receipt of shares of the Company's capital stock, including (without limitation) claims to attorneys' fees or costs, claims of wrongful discharge, constructive discharge, emotional distress, defamation, invasion of privacy, fraud, breach of contract or breach of the covenant of good faith and fair dealing and any claims of discrimination or harassment based on sex, age, race, national origin, disability or any other basis under Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, the California Fair Pay Act, the Equal Pay Act, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the National Labor Relations Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Workers Adjustment and Retraining Notification ("WARN") Act, the Families First Coronavirus Response Act, the CARES Act, the California WARN Act, and all other laws and regulations relating to employment. However, this release covers only those claims that arose prior to the execution of this Agreement and only those claims that may be waived by applicable law. Execution of this Agreement does not bar any claim that arises hereafter, including (without limitation) a claim for breach of this Agreement and does not bar any claim by Executive for indemnification by the Company for claims, losses or costs arising from or related to his service as an officer and director of the Company.

(b) Waiver. You expressly waive and release any and all rights and benefits under Section 1542 of the California Civil Code (or any analogous law of any other state), which reads as follows:

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

7. Exceptions. Nothing contained in this Agreement limits Your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). You further understand that this Agreement does not limit Your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit Your right to receive an award for information provided to any Government Agencies. However, You understand and agree that You shall not be entitled to, and shall not seek nor permit anyone to seek on Your behalf, any personal, equitable or monetary relief for any claims or causes of action released by You in this Agreement, to the fullest extent permitted by law.

8. No Admission. Nothing contained in this Agreement will constitute or be treated as an admission by You or the Company of liability, any wrongdoing or any violation of law.

9. Consideration and Revocation Period. You acknowledge that You have hereby been advised in writing to consult with an attorney of Your choice prior to signing this Agreement, and that You had at least twenty-one (21) days to consider this Agreement before signing it. You acknowledge that if this Agreement is signed before twenty-one (21) days have elapsed from the date of delivery, by signing this Agreement You have expressly waived the twenty-one (21)-day consideration period. You acknowledge that You may revoke this Agreement within seven (7) days following its execution, and the Agreement shall not become effective until the revocation period has expired. If You do not revoke this Agreement, the eighth day after the date You sign the Agreement will be the "Effective Date."

10. Section 409A. Any amount paid under this Agreement is intended to satisfy the requirements of the "short-term deferral" rule set forth in Section 1.409(A)-1(b)(4) of the Treasury Regulations. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition before actual payment to Executive under Section 409A. For purpose of this Agreement, each of the salary continuation payments provided for in Section 3.a to be made to You under this Agreement is designated as a separate payment under Section 409A.

11. Opportunity to Seek Counsel. Executive acknowledges by signing this Agreement that he/she has read and understand this document, that he/she has conferred with or had the opportunity to confer with an attorney of his choice regarding the terms and meaning of this Agreement, that he/she has had sufficient time to consider the terms provided for in this Agreement, that no representations or inducements have been made to his/her as set forth herein, and that he/she has signed the same knowingly and voluntarily.

12. Confidentiality. You agree that You will not disclose to others the existence or terms of this Agreement, except that You may disclose such information to your spouse, attorney or tax adviser if such individuals agree that they will not disclose to others the existence or terms of this Agreement.

13. Company Property. You represent that You will return to the Company all property that belongs to the Company, including (without limitation) copies of documents that belong to the Company and files stored on your computer(s) that contain information belonging to the Company on or before the Termination Date.

14. Mutual Non-Disparagement/Public Statements. You agree that You will never make any negative or disparaging statements (orally or in writing) about the Company or its predecessors, successors or past or present subsidiaries, stockholders, directors, officers, employees, consultants, attorneys, agents, assigns, employee benefit plans, and each of their respective affiliates, stockholders, directors, officers, managers, members, employees, consultants, attorneys, agents and assigns, except as required by law. The Company shall direct its officers and directors to not make any negative or disparaging statements (orally or in writing) about You. You agree to cooperate with the Company and its public relations firm on all external and internal communications regarding your termination. You agree that You will not provide any interviews or statements relating to your termination or otherwise to the Company without obtaining Board approval prior to providing any such interviews or statements.

15. Assignment. This Agreement will be binding upon and inure to the benefit of (a) the heirs, executors and legal representatives of Executive upon Executive's death and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. None of the rights of Executive to receive any form of compensation payable pursuant to this Agreement may be assigned or transferred except by will or the laws of descent and distribution. Any other attempted assignment, transfer, conveyance or other disposition of Executive's right to compensation or other benefits will be null and void.

16. Notices. All notices, requests, demands and other communications called for hereunder will be in writing and will be deemed given (a) on the date of delivery if delivered personally, (b) one (1) day after being sent by a well-established commercial overnight service, or (c) four (4) days after being mailed by registered or certified mail, return receipt requested, prepaid and addressed to the Parties or their successors at the following addresses, or at such other addresses as the Parties may later designate in writing:

If to the Company:
Alumis Inc.
Attn: Chair of the Board of Directors

If to Executive: Last address on file with the Company.

17. Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement will continue in full force and effect without said provision. In the event that a court of competent jurisdiction shall determine that any provision of this Agreement or the application thereof is unenforceable in whole or in part because of the duration or scope thereof, the Parties hereto agree that said court in making such determination shall have the power to reduce the duration and scope of such provision to the extent necessary to make it enforceable, and that the Agreement in its reduced form shall be valid and enforceable to the full extent permitted by law.

18. Other Agreements. At all times in the future, You will remain bound by the Proprietary Information and Inventions Agreement (the "PIIA") with the Company that You signed on or about _____ __, 2021, a copy of which is attached as **Exhibit I**. This Agreement, which incorporates the PIIA, represents the entire agreement and understanding between the Parties as to the subject matter herein and supersedes all prior or contemporaneous agreements whether written or oral, including, without limitation, the Offer Letter and the Dispute Resolution/Arbitration Agreement, dated _____ __, 2021. This Agreement may be modified only in a written document signed by Executive and a duly authorized officer of the Company.

19. Governing Law/Jurisdiction. The terms of this Agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this Agreement or arising out of, related to, or in any way connected with, this Agreement, Your employment with the Company or any other relationship between You and the Company (the "Disputes") will be governed by California law, excluding laws relating to conflicts or choice of law. Executive and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in San Francisco, California in connection with any Dispute or any claim related to any Dispute.

20. Waiver of Breach. The waiver of a breach of any term or provision of this Agreement, which must be in writing, will not operate as or be construed to be a waiver of any other previous or subsequent breach of this Agreement.

21. Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

22. Tax Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable taxes.

23. Counterparts. This Agreement may be executed in counterparts, and each counterpart will have the same force and effect as an original and will constitute an effective, binding agreement on the part of each of the undersigned. Execution of a facsimile copy will have the same force and effect as execution of an original, and a facsimile signature will be deemed an original and valid signature.

[Signature Page to Follow]

IN WITNESS WHEREOF, each of the Parties has executed this Agreement, in the case of the Company by their duly authorized officers, as of the day and year first above written.

ALUMIS INC.:

Date: _____ By: _____
Name: _____
Title: _____

I agree to the terms of this Agreement, and I am voluntarily signing this release of all claims. I acknowledge that I have read and understand this Agreement, and I understand that I cannot pursue any of the claims and rights that I have waived in this Agreement at any time in the future.

EXECUTIVE:

Date: _____ _____
Name:

ESKER THERAPEUTICS, INC.

November 12, 2021

Derrick Richardson

Re: Offer of Employment

Dear Derrick,

We are pleased to present this offer of employment for the position of Vice President, Program Management of Esker Therapeutics, Inc. (the "Company"). This is a full-time, exempt position, carrying considerable responsibility and is integral to the development and success of the Company's business. We are excited about your interest in joining the Company full-time. This letter agreement formally presents the specifics of our offer for your consideration:

Title:	Vice President, Program Management
Base Pay:	$305,000.00 per year
Status:	Full-Time Employee, Exempt
Reports to:	Mark Bradley
Start Date:	January 4, 2022

Scope of Work

You will report directly to Mark Bradley, and will principally work from the Company's facility, located in the San Francisco area, although you will be initially be permitted to work remotely. Subject to your right to receive severance upon a Constructive Termination (as defined herein), the Company may change your position, duties, and work location or reporting structure from time to time at its discretion.

Professional Contribution

You agree that you will, at all times and to the best of your abilities, loyally and conscientiously perform all of the duties and obligations required of you pursuant to the express and implicit terms of this letter, and to the reasonable satisfaction of the Company. You further agree that during your term of employment, you will devote all of your business time and attention to the business of the Company and that the Company will be entitled to all of the benefits and profits arising from or incidental to all your work, services and advice. You agree that you will not provide commercial or professional services of any nature to any other person or organization whether or not for compensation, without the prior written consent of the Company. You further agree that during your employment with the Company, you will not directly or indirectly engage or participate in any business that is competitive, in any manner, with the business of the Company.

At-Will Employment Status

Your employment with the Company is "at-will" and will continue only so long as continued employment is mutually agreeable to you and the Company. While we are extending this offer with the hope you will stay and enhance your career with us, either you or the Company may modify the terms of or terminate the employment relationship at any time, for any reason, with or without notice or cause, subject to the provisions of Attachment A which are incorporated herein.

Compensation

1. Base Salary. You will be paid a base salary of $305,000 per year. Your Base Salary will be payable pursuant to the Company's regular payroll policy.

2. Bonus: You will be eligible for a discretionary cash bonus targeted at 25% of your base salary, payable in accordance with this paragraph. Payment of the discretionary bonus will be at the discretion of the Company's Board of Director's (the "Board") and subject to many variables, especially the success of the Company and your contribution towards that success. Target bonuses are currently paid on a fiscal year schedule in Q1 of each year and are prorated for partial year service, and you must be an employee of the Company through the payment date in order to be eligible to receive your bonus.

3. Equity: Subject to Board approval, you will be granted an option to purchase 160,000 shares of the Company's common stock (the "Option"). Your grant will be subject to vesting based on service time provided to the Company, with one-quarter vesting on the one year anniversary of your start date with the Company, and the balance vesting in equal monthly installments over the three years thereafter (i.e., a customary 4-year vesting schedule with a one-year "cliff"), as provided in the stock option agreement prepared in respect of this equity award. In addition, as further described below in Attachment A and in your stock option agreement, your Option will be subject to "double-trigger" vesting acceleration. The Option will be "early-exercisable", such that you will be eligible to exercise shares subject to the Option prior to their vesting, and will be an ISO qualifying option to the extent statutorily permissible. The Option will be exercisable until the earlier of (x) the expiration of the Option's 10-year term or (y) unless the Option is assumed by the acquiring company, upon the effective date of a Change of Control. The Option will be subject to the Company's stock plan and the Company's standard form of stock option agreement (with appropriate modifications to reflect the terms referenced above).

4. Salary Review. Your Base Salary will be reviewed annually as part of the Company's normal salary review process.

Employee Benefits

You will be eligible to participate in Company-sponsored benefits, as in place from time to time. Availability, terms and the associated eligibility requirements of the Company's benefit programs are subject to change by the Company from time to time, with or without notice.

Proprietary Information and Inventions Agreement

Your acceptance of this offer and commencement of employment with the Company is contingent upon the execution, and delivery to an officer of the Company, of the Company's Proprietary Information and Inventions Agreement (the "PIIA"), prior to or on your Start Date.

Non-Competition/Non-Solicitation

Prior to accepting this offer, you must disclose in writing to the undersigned the existence of any employment agreement, non-compete or non-solicitation agreement, confidentiality or similar agreement(s) with a current or former employer that in any way would restrict of prohibit your performance of any duties or responsibilities with the Company.

Employee Policies

You will be subject to the Company's employee policies as established by Company management and the Board from time to time. The provisions of this offer letter and all other documents referenced herein constitute the full and complete terms of your employment and supersede any prior representations or agreements by anyone, either oral or written. These terms of employment are not subject to change or modification of any kind, unless specified in writing, and signed by you and the Company's CEO.

Tax Matters

All forms of compensation referred to in this offer letter are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law. You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board related to tax liabilities arising from your compensation.

Acceptance of Employment

This offer of employment is contingent upon your completion, execution, and our receipt of all employment documents listed in this letter on or before your Start Date (see below).

Once you have had an opportunity to consider this offer letter, please indicate your agreement with these terms and conditions of employment by providing a signed copy of your offer back to the Company's CEO.

The below documents will be provided to you upon acceptance of this letter agreement. In addition, we must receive acceptable proof of identification and authorization to work in the United States (part of the I-9 form listed below).

1. Signed Proprietary Information and Inventions Agreement

2. Completed I-9 Form and documentation

3. Signed Dispute Resolution/Arbitration Agreement

This offer expires within ten (10) calendar days of the date of this letter unless the Company receives a signed copy within that period.

We are delighted to be able to extend this offer of employment to you and sincerely feel the Company can provide you with the opportunity to achieve rewarding results for both you and the Company. Please contact me with any questions. We look forward to working with you.

Sincerely,

/s/ Martin Babler
Martin Babler, President

I have read and understood this offer letter and hereby acknowledge, accept and agree to the terms as set forth above and attached and further acknowledge that no other commitments were made to me as part of my employment offer except as specifically set forth herein.

/s/ Derrick Richardson
Derrick Richardson

Date: 11/15/2021

ATTACHMENT A

Definitions, Terms and Conditions

1. Termination of Employment.

a. At-Will Employment. Your employment with the Company is at-will, meaning either you or the Company can terminate your employment at any time, with or without cause, and with or without notice. Neither you nor the Company can change the "at will" nature of your employment, unless the CEO or the Board of the Company and you sign a written contract that explicitly changes your status as an "at will" employee.

b. Payment & Benefits Upon Termination. Your entitlement to payment and benefits upon termination is as follows:

(i) Termination Without "Cause" or "Constructive Termination". If your employment is terminated involuntarily without Cause (as defined in Section 3(a), below) or in the event of your "Constructive Termination" (as defined in Section 3(c) below) and you are subject to a "Separation" under Section 409A (as defined in Section 4 below):

(A) you will receive payment for any earned and unpaid salary as of the date of your termination of employment; and,

(B) in the event you execute and do not revoke a general release of claims ("Release"), in the form attached hereto as Attachment B, you will be offered the Separation Compensation (as defined in Section 2, below). You will not be entitled to or offered any form of additional severance pay or benefits other than the Separation Compensation (e.g., you will not be entitled to the Separation Compensation, or any other form of severance pay or benefits).

(ii) Voluntary Termination. If you voluntarily terminate your employment, or give notice that you will voluntarily terminate your employment at a future date (and whether or not the Company accelerates the effective date of your resignation date that you provide to an earlier termination date), you will receive payment(s) for all earned and unpaid salary. You will not be entitled to the Separation Compensation, or any other form of severance pay or benefits.

(iii) Termination for Cause. If your employment is terminated for Cause, you will receive payment(s) for all earned and unpaid salary as of your termination. You will not be entitled to the Separation Compensation, or any other form of severance pay or benefits.

2. Separation Compensation. If you are entitled to Separation Compensation under Section 1 above, your "Separation Compensation" will include each of the following:

a. Salary Continuance. You will be offered pay equal to six (6) months of your regular base salary subject to applicable payroll deductions and withholdings ("Salary Continuance").

Your first salary continuance payment equal to one (1) month of your regular base salary shall commence on the thirtieth (30th) day following your termination of employment (unless a longer period is required by law to make the Release effective, in which case the first Salary Continuance payment shall be made on the sixtieth (60th) day following your termination of employment) provided the Release is effective at such time, and the remainder shall be paid in monthly installments beginning on the 1st day of the second month following your termination of employment, and on the 1st day of each month thereafter, until the total payment obligation is fulfilled. If the 60-day consideration and revocation period spans two calendar years, then the monthly installments will commence, if applicable, on the first payroll date in the second calendar year following expiration of the applicable revocation period.

b. **Other Benefits**. The Company will reimburse you for your expenses in continuing medical insurance benefits for you and your family (meaning medical, dental, optical, and mental health, but not life, insurance) under the Company's then-existing benefit plans (or otherwise in obtaining coverage substantially comparable to the coverage provided to you prior to the termination) over the period beginning on the date your employment terminates and ending on the earlier of (a) your period of Salary Continuance as provided above, or (b) the date you commence employment with another entity.

c. **Double Trigger Acceleration of Vesting**. In the event that, within six (6) months following a Change of Control of the Company, your service to the Company is terminated involuntarily without Cause or due to a Constructive Termination, subject to the terms of the stock option agreement governing the Option, the Option shall vest as to 100% of the unvested shares underlying the Option at the time of termination, such acceleration effective immediately prior to such termination, provided that that all conditions to Separation Compensation are met including execution of the Release.

3. **Definitions**.

a. **Cause**. For the purposes of this letter agreement, "Cause" for termination of your employment will exist if you are terminated for any of the following reasons: (i) your failure to perform your duties and responsibilities to the Company, including but not limited to a failure to cooperate with the Company in any investigation or formal proceeding; (ii) your commission of any act of fraud, embezzlement, dishonesty or any other intentional misconduct in connection with your responsibilities as an employee; (iii) the unauthorized use or disclosure by you of any proprietary information or trade secrets of the Company or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company; (iv) you are convicted of, or enter a no contest plea to, a felony; or (v) your breach of any of your material obligations under any Company policy, written policy or agreement with the Company (including this letter agreement). The determination as to whether you are being terminated for Cause shall be made in good faith by the Board. The foregoing definition does not in any way limit the Company's ability to terminate your employment at any time as provided in Section 1(a) above.

b. **Change of Control**. For purposes of this letter agreement, "Change of Control" of the Company is defined as: (i) the date any non-affiliated "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes, subsequent to the date hereof, the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities, other than pursuant to a sale by the Company of its securities in a transaction or series of related transactions the primary purpose of which is to raise capital for the Company; (ii) the date of the consummation of a merger or consolidation of the Company with any other corporation that has been approved by the stockholders of the Company, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (iii) the date of the consummation of the sale or disposition by the Company of all or substantially all the Company's assets.

c. **Constructive Termination**. For the purposes of this letter agreement, "Constructive Termination" means the termination of your employment by you following (except as otherwise agreed by you): (i) material breach by the Company of any agreement between you and the Company; (ii) material reduction of your duties, position or responsibilities, taken as a whole, other than by virtue of the Company being acquired and made part of a larger entity; (iii) material reduction your base salary and/or bonus potential other than as part of a similar reduction for substantially all employees or substantially all senior officers; or (iv) relocation of your business office to another location more than fifty (50) miles away and outside the greater San Francisco area, provided such relocation also materially increases your commuting distance, and provided that no relocation will constitute a Construction Termination if you are allowed to continue to provide services remotely (e.g., through telecommuting) at the time of the relocation. . Notwithstanding anything else contained herein, in the event of the occurrence of a condition listed above you must provide notice to the Company within sixty (60) days of the occurrence of a condition listed above and allow the Company thirty (30) days after your delivery of notice to the Company in which to cure such condition. Additionally, in the event the Company fails to cure the condition within the cure period provided, you must terminate employment with the Company within ten (10) days of the end of the cure period.

4. **Code Section 409A**. For purposes of this letter agreement, a termination of employment will be determined consistent with the rules relating to a "separation from service" as defined in Section 409A of the Code and the regulations thereunder ("Section 409A"). Notwithstanding anything else provided herein, to the extent any payments provided under this letter agreement in connection with your termination of employment constitute deferred compensation subject to Section 409A, and you are deemed at the time of such termination of employment to be a "specified employee" under Section 409A, then such payment shall not be made or commence until the earlier of (i) the expiration of the 6-month period measured from your separation from service from the Company or (ii) the date of your death following such a separation from service; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to you including, without limitation, the additional tax for which you would otherwise be liable under Section 409A(a)(1)(B) in the absence of such a deferral. The first payment thereof will include a catch-up payment covering the amount that would have otherwise been paid during the period between your termination of employment and the first payment date but for the application of this provision, and the balance of the installments (if any) will be payable in accordance with their original schedule. To the extent that any provision of this letter agreement is ambiguous as to its compliance with Section 409A, the provision will be read in such a manner so that all payments hereunder comply with Section 409A. To the extent any payment under this letter agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this section are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

5. **Code Section 280G**. In the event that the severance and any other benefits provided for in this letter agreement or otherwise payable to you (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then your benefits under this letter agreement shall be either:

a. delivered in full; or

b. delivered as to such lesser extent that would result in no portion of such benefits being subject to the Excise Tax, (with first a pro rata reduction of (i) cash payments subject to Section 409A of the Code as deferred compensation and (ii) cash payments not subject to Section 409A of the Code, and then a pro rata cancellation of (i) equity-based compensation subject to Section 409A of the Code as deferred compensation and (ii) equity-based compensation not subject to Section 409A of the Code), whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in your receipt on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code.

Unless you and the Company otherwise agree in writing, the determination of your excise tax liability and the amount required to be paid under this Section shall be made in writing by an accounting firm to be selected by reasonable agreement between you and the Company, whose determination shall be conclusive and binding upon you and the Company for all purposes. For purposes of making the calculations required by this Section, the accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Section 280G and 4999 of the Code. You and the Company shall furnish to the accountants such information and documents as the accountants may reasonably request in order to make a determination under this Section. The Company shall bear all costs the accountants may reasonably incur in connection with any calculations contemplated by this Section.

6. Other Agreements. This Attachment A sets forth the terms of the benefits you are eligible to receive in the event your employment with the Company is terminated in the manner described herein and supersedes any prior representations or agreements, whether written or oral. In the event of a conflict between the terms of this Attachment A and any other agreement you have entered into with the Company (including the cover letter to this Attachment A), the terms of this Attachment A shall apply. Notwithstanding the foregoing, in the event of a conflict between the terms of this Attachment A and the documents reflecting your Option, the terms of the equity documentation shall govern. The definitions, terms and conditions contained in this Attachment A may not be modified or amended except by a written agreement, signed by an authorized representative of the Company and by you.

ATTACHMENT B

FORM OF
RELEASE AGREEMENT

This Release Agreement (this "Agreement") is dated as of _____ __, 202_ by and between Esker Therapeutics, Inc. (f/k/a FL2021-001, Inc.), a Delaware corporation (the "Company") and _____ ("Executive;" or "You" and together with the Company, the "Parties").

WHEREAS, the Company and Executive entered into an offer letter, dated _____ ___, 2021 (the "Offer Letter");

WHEREAS, the Company and Executive now desire to terminate the Employee's employment as of _____ __ 202_ (the "Termination Date"); and

WHEREAS, this Agreement confirms the agreement between You and the Company regarding the termination of Your employment with the Company.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the Parties hereby agree as follows:

1. Resignation. You hereby resign as [INSERT TITLE] of the Company effective as of the Termination Date. You and the Company agree that Your termination is a Separation without Cause or a Constructive Termination (as such terms are defined in Attachment A to the Offer Letter).

2. Final Pay. On the Termination Date, the Company will pay You $_____, less all applicable withholdings. This amount represents all of Your salary earned through the Termination Date and all of Your accrued but unused vacation time or PTO. You acknowledge that, prior to the execution of this Agreement, and other than as set forth in Attachment A to Your Offer Letter, You are not entitled to receive any additional money from the Company, and that the only payments that You are entitled to receive from the Company in the future are those specified in this Agreement and Attachment A.

3. Separation Compensation. Pursuant to the terms of the Offer Letter, if You timely sign this Agreement and this Agreement becomes effective in accordance with Section 9 below, the Company will provide You with the Separation Compensation as defined and described in Attachment A to the Offer Letter within ten (10) days of the Effective Date (as defined below).

4. Benefits. Except as provided in Attachment A to Your Offer Letter, Your participation in all employee benefits plans and programs will end on the Termination Date. Under separate cover, You will receive information about Your rights, if any, to continue Your group health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA") after the Termination Date, including as provided in Attachment A. In order to continue Your coverage, You must file the required election form.

5. Company Shares. On or about _____, the Company issued You a stock option to purchase _____ shares of its common stock pursuant to the stock option agreement, dated [INSERT DATE] (the "Stock Option Agreement"). Currently, you are vested in _____ option shares subject to the Stock Option Agreement (the "Vested Option Shares"). Pursuant to Attachment A of Your Offer Letter and if this Agreement become effective in accordance with Section 9 below, you will vest in an additional _____ option shares subject to the Stock Option Agreement (the "Additional Vested Option Shares"). Except as otherwise provided in this Section 5, the Vested Option Shares and Additional Vested Option Shares remain subject to the Stock Option Agreement and stock option plan. You acknowledge and agree that other than the Vested Option Shares and Additional Vested Option Shares, You have no further rights to the Company's capital stock, or any rights to receive or vest in any additional shares of the Company capital stock.

6. Release of All Claims.

(a) Executive Release. In consideration for the Separation Compensation set forth in Section 3 (above)) and other benefits provided to You in this Agreement, to the fullest extent permitted by law, You waive, release and promise never to assert any claims or causes of action, whether or not now known, against the Company or its predecessors, successors or past or present subsidiaries, stockholders, directors, officers, employees, consultants, attorneys, agents, assigns, employee benefit plans, and each of their respective indirect and direct affiliates, stockholders, directors, officers, managers, members, employees, consultants, attorneys, agents and assigns with respect to any matter, including (without limitation) any matter related to Your employment with the Company, the termination of that employment, or Your ownership of the Company's capital stock, right to purchase or the actual purchase or receipt of shares of the Company's capital stock, including (without limitation) claims to attorneys' fees or costs, claims of wrongful discharge, constructive discharge, emotional distress, defamation, invasion of privacy, fraud, breach of contract or breach of the covenant of good faith and fair dealing and any claims of discrimination or harassment based on sex, age, race, national origin, disability or any other basis under Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, the California Fair Pay Act, the Equal Pay Act, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the National Labor Relations Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Workers Adjustment and Retraining Notification ("WARN") Act, the Families First Coronavirus Response Act, the CARES Act, the California WARN Act, and all other laws and regulations relating to employment. However, this release covers only those claims that arose prior to the execution of this Agreement and only those claims that may be waived by applicable law. Execution of this Agreement does not bar any claim that arises hereafter, including (without limitation) a claim for breach of this Agreement and does not bar any claim by Executive for indemnification by the Company for claims, losses or costs arising from or related to his service as an officer and director of the Company.

(b) Waiver. You expressly waive and release any and all rights and benefits under Section 1542 of the California Civil Code (or any analogous law of any other state), which reads as follows:

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

7. Exceptions. Nothing contained in this Agreement limits Your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). You further understand that this Agreement does not limit Your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit Your right to receive an award for information provided to any Government Agencies. However, You understand and agree that You shall not be entitled to, and shall not seek nor permit anyone to seek on Your behalf, any personal, equitable or monetary relief for any claims or causes of action released by You in this Agreement, to the fullest extent permitted by law.

8. No Admission. Nothing contained in this Agreement will constitute or be treated as an admission by You or the Company of liability, any wrongdoing or any violation of law.

9. Consideration and Revocation Period. You acknowledge that You have hereby been advised in writing to consult with an attorney of Your choice prior to signing this Agreement, and that You had at least twenty-one (21) days to consider this Agreement before signing it. You acknowledge that if this Agreement is signed before twenty-one (21) days have elapsed from the date of delivery, by signing this Agreement You have expressly waived the twenty-one (21)-day consideration period. You acknowledge that You may revoke this Agreement within seven (7) days following its execution, and the Agreement shall not become effective until the revocation period has expired. If You do not revoke this Agreement, the eighth day after the date You sign the Agreement will be the "Effective Date."

10. Section 409A. Any amount paid under this Agreement is intended to satisfy the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition before actual payment to Executive under Section 409A. For purposes of this Agreement, each of the salary continuation payments provided for in Section 3(a) to be made to You under this Agreement is designated as a separate payment under Section 409A.

11. Opportunity to Seek Counsel. Executive acknowledges by signing this Agreement that he/she has read and understands this document, that he/she has conferred with or had the opportunity to confer with an attorney of his choice regarding the terms and meaning of this Agreement, that he/she has had sufficient time to consider the terms provided for in this Agreement, that no representations or inducements have been made to his/her as set forth herein, and that he/she has signed the same knowingly and voluntarily.

12. Confidentiality. You agree that You will not disclose to others the existence or terms of this Agreement, except that You may disclose such information to your spouse, attorney or tax adviser if such individuals agree that they will not disclose to others the existence or terms of this Agreement.

13. Company Property. You represent that You will return to the Company all property that belongs to the Company, including (without limitation) copies of documents that belong to the Company and files stored on your computer(s) that contain information belonging to the Company on or before the Termination Date.

14. Mutual Non-Disparagement/Public Statements. You agree that You will never make any negative or disparaging statements (orally or in writing) about the Company or its predecessors, successors or past or present subsidiaries, stockholders, directors, officers, employees, consultants, attorneys, agents, assigns, employee benefit plans, and each of their respective affiliates, stockholders, directors, officers, managers, members, employees, consultants, attorneys, agents and assigns, except as required by law. The Company shall direct its officers and directors to not make any negative or disparaging statements (orally or in writing) about You. You agree to cooperate with the Company and its public relations firm on all external and internal communications regarding your termination. You agree that You will not provide any interviews or statements relating to your termination or otherwise to the Company without obtaining Board approval prior to providing any such interviews or statements.

15. Assignment. This Agreement will be binding upon and inure to the benefit of (a) the heirs, executors and legal representatives of Executive upon Executive's death and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. None of the rights of Executive to receive any form of compensation payable pursuant to this Agreement may be assigned or transferred except by will or the laws of descent and distribution. Any other attempted assignment, transfer, conveyance or other disposition of Executive's right to compensation or other benefits will be null and void.

16. Notices. All notices, requests, demands and other communications called for hereunder will be in writing and will be deemed given (a) on the date of delivery if delivered personally, (b) one (1) day after being sent by a well-established commercial overnight service, or (c) four (4) days after being mailed by registered or certified mail, return receipt requested, prepaid and addressed to the Parties or their successors at the following addresses, or at such other addresses as the Parties may later designate in writing:

If to the Company:
Esker Therapeutics, Inc.
Attn: Chair of the Board of Directors

If to Executive: Last address on file with the Company.

17. Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement will continue in full force and effect without said provision. In the event that a court of competent jurisdiction shall determine that any provision of this Agreement or the application thereof is unenforceable in whole or in part because of the duration or scope thereof, the Parties hereto agree that said court in making such determination shall have the power to reduce the duration and scope of such provision to the extent necessary to make it enforceable, and that the Agreement in its reduced form shall be valid and enforceable to the full extent permitted by law.

18. Other Agreements. At all times in the future, You will remain bound by the Proprietary Information and Inventions Agreement (the "PIIA") with the Company that You signed on or about _____ __ , 2021, a copy of which is attached as **Exhibit I**. This Agreement, which incorporates the PIIA, represents the entire agreement and understanding between the Parties as to the subject matter herein and supersedes all prior or contemporaneous agreements whether written or oral, including, without limitation, the Offer Letter and the Dispute Resolution/Arbitration Agreement, dated _____. __, 2021. This Agreement may be modified only in a written document signed by Executive and a duly authorized officer of the Company.

19. Governing Law/Jurisdiction. The terms of this Agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this Agreement or arising out of, related to, or in any way connected with, this Agreement, Your employment with the Company or any other relationship between You and the Company (the "Disputes") will be governed by California law, excluding laws relating to conflicts or choice of law. Executive and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in San Francisco, California in connection with any Dispute or any claim related to any Dispute.

20. Waiver of Breach. The waiver of a breach of any term or provision of this Agreement, which must be in writing, will not operate as or be construed to be a waiver of any other previous or subsequent breach of this Agreement.

21. Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

22. Tax Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable taxes.

23. Counterparts. This Agreement may be executed in counterparts, and each counterpart will have the same force and effect as an original and will constitute an effective, binding agreement on the part of each of the undersigned. Execution of a facsimile copy will have the same force and effect as execution of an original, and a facsimile signature will be deemed an original and valid signature.

[Signature Page to Follow]

IN WITNESS WHEREOF, each of the Parties has executed this Agreement, in the case of the Company by their duly authorized officers, as of the day and year first above written.

ESKER THERAPEUTICS, INC.:

Date: _____

By: _____
Name: _____
Title: _____

I agree to the terms of this Agreement, and I am voluntarily signing this release of all claims. I acknowledge that I have read and understand this Agreement, and I understand that I cannot pursue any of the claims and rights that I have waived in this Agreement at any time in the future.

EXECUTIVE:

Date: _____

_____
Name:

EXHIBIT I

PIIA

Exhibit 10.19

Alumis Inc.

alumis.com

January 12, 2022

Sara Klein

Re: Offer of Employment

Dear Sara:

We are pleased to present this offer of employment for the position of General Counsel of Alumis Inc. (the "Company"),. This is a full-time, exempt position, carrying considerable responsibility and is integral to the development and success of the business. We are excited about your interest in joining the Company full-time. This letter agreement formally presents the specifics of our offer for your consideration:

Title:	General Counsel
Base Pay:	$340,000 per year
Status:	Regular, Full-Time Employee, Exempt
Reports to:	Roy Hardiman
Start Date:	January 18, 2022
Location:	South San Francisco / Remote

Scope of Work

You will report directly to Roy Hardiman, and will principally work from the Company's facility, located in the San Francisco area. Subject to health and safety issues regarding the ongoing COVID pandemic, you will be expected to work in-office Tuesday to Thursday, and remotely on Monday and Friday. Subject to your right to receive severance upon a Constructive Termination (as defined herein), the Company may change your position, duties, and work location or reporting structure from time to time at its discretion.

Professional Contribution

You agree that you will, at all times and to the best of your abilities, loyally and conscientiously perform all of the duties and obligations required of you pursuant to the express and implicit terms of this letter, and to the reasonable satisfaction of the Company. You further agree that during your term of employment, you will devote substantially all of your business time and attention to the business of the Company and that the Company will be entitled to all of the benefits and profits arising from or incidental to all your work, services and advice. You agree that you will not provide commercial or professional services of any nature to any other person or organization (other than the Company or another incubated company of Foresite Labs), whether or not for compensation, without the prior written consent of the Chief Executive Officer. You further agree that during your employment with the Company, you will not directly or indirectly engage or participate in any business that is competitive, in any manner, with the business of the Company. Notwithstanding the foregoing, you may serve on corporate boards or committees, civic, charitable or other non-profit boards, committees or organizations, deliver lectures or fulfill speaking engagements; provided, however, that (i) such activities do not individually or in the aggregate materially interfere with the performance of your duties under this letter agreement and (ii) you notify and receive prior written consent from the Chief Executive Officer. You further agree to comply with the Company's written policies and rules, as they may be in effect from time to time during your employment.

At-Will Employment Status

Your employment with the Company is "at-will" and will continue only so long as continued employment is mutually agreeable to you and the Company. While we are extending this offer with the hope you will stay and enhance your career with us, either you or the Company may modify the terms of or terminate the employment relationship at any time, for any reason, with or without notice or cause, subject to the provisions of Attachment A which are incorporated herein.

Compensation

1) Base Salary. You will be paid a base salary of $340,000 per year. Your Base Salary will be payable pursuant to the Company's regular payroll policy.

2) Bonus. You will be eligible for a discretionary cash bonus targeted at 35% of your base salary, payable in accordance with this paragraph. Payment of the discretionary bonus will be at the discretion of the Board and subject to many variables, especially the success of the Company and your contribution towards that success. Target bonuses are currently paid on a fiscal year schedule in Q1 of each year and are prorated for partial year service, and you must be an employee of the Company through the payment date in order to be eligible to receive your bonus.

3) Equity. Subject to Board approval, you will be granted options to purchase a total of 700,000 shares of the Company's Common Stock, which shall consist of two separate option grants:

    a) An option to purchase 500,000 shares of the Company's Common Stock that will vest over a 4-year period (your "4-Year Option"). Your 4-Year Option shall vest based solely on continued service provided to the Company and shall vest over a 4-year period with one-quarter of your 4-Year Option vesting on the one-year anniversary of your start date with the Company (the "4-Year Option Cliff Date"), and the balance vesting in equal monthly installments over the three years thereafter (i.e., 1/48ths per month).

    b) A long-term incentive option to purchase 200,000 shares of the Company's Common Stock that will vest over a 6-year period (your "6-Year Option"; your 4-Year Option and your 6-Year Option shall be collectively referred to as your "Options"). Your 6-Year Option shall vest based solely on continued service provided to the Company and shall vest over a 6-year period with one-third of your 6-Year Options vesting on the 2nd annual anniversary of your start date with the Company (the "6-Year Option Cliff Date"), and the balance vesting in equal monthly installments over the four years thereafter (i.e., 1/72nds per month).

The exercise price of the Options is expected to be $1.98 per share, a price equal to the Company's current 409A valuation. In addition, the Options will be eligible for the vesting acceleration described in Section 2 and in Section 7 of Attachment A. The Options will be "early-exercisable", such that you will be eligible to exercise shares subject to the Option prior to their vesting, and the Options will be exercisable until the earlier of (x) the expiration of the Options' 10-year term or (y) unless the Options are assumed by the acquiring company, upon the effective date of a Change of Control. The Options will be an ISO to the extent statutorily permissible. The Options will be subject to the Company's stock plan and the Company's standard form of stock option agreement (with appropriate modifications to reflect the terms referenced above).

4) Salary. Your Base Salary will be reviewed annually as part of the Company's normal salary review process, for increase (but not decease other than as part of an across-the-board cost-cutting measure).

5) Expenses. The Company will reimburse you for reasonable travel, entertainment or other expenses incurred by you in furtherance or in connection with the performance of your duties hereunder.

Employee Benefits

You will be eligible to participate in Company-sponsored benefits, as in place from time to time. Availability, terms and the associated eligibility requirements of the Company's benefit programs are subject to change by the Company from time to time, with or without notice. The Company will reimburse you for all work expenses according to its policies, including but not limited to professional fees and continuing education associated with your role (bar dues, etc.) in accordance with company policy.

Proprietary Information and Inventions Agreement

Your acceptance of this offer and commencement of employment with the Company is contingent upon the execution, and delivery to an officer of the Company, of the Company's Proprietary Information and Inventions Agreement (the "PIIA"), prior to or on your Start Date.

Non-Competition/Non-Solicitation

Prior to accepting this offer, you must disclose in writing to the undersigned the existence of any employment agreement, non-compete or non-solicitation agreement, confidentiality or similar agreement(s) with a current or former employer that in any way would prohibit your performance of any duties or responsibilities with the Company. Consistent with the foregoing, the Company hereby acknowledges your continuing confidentiality to your former employer Principia Biopharma Inc. and its acquiror, Sanofi.

Employee Policies

You will be subject to the Company's employee policies as established by Company management and the Board from time to time. The provisions of this offer letter and all other documents referenced herein constitute the full and complete terms of your employment and supersede any prior representations or agreements by anyone, either oral or written. These terms of employment are not subject to change or modification of any kind, unless specified in writing, and signed by you and the Company's CEO or a member of the Board, as applicable.

Tax Matters

All forms of compensation referred to in this offer letter are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law. You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board related to tax liabilities arising from your compensation.

Company Successors

This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. Any such successor will within a reasonable period of becoming the successor assume in writing and be bound by all of the Company's obligations under this Agreement. For all purposes under this Agreement, the term "Company" shall include Alumis Inc. as well as any successor entity and to any successor to the Company's business or assets that becomes bound by this Agreement.

Acceptance of Employment

This offer of employment is contingent upon your completion, execution, and our receipt of all employment documents listed in this letter on or before your Start Date (see below).

Once you have had an opportunity to consider this offer letter, please indicate your agreement with these terms and conditions of employment by providing a signed copy of your offer back to the Company's CEO.

The below documents will be provided to you by Human Resources upon acceptance of this letter agreement. In addition, we must receive acceptable proof of identification and authorization to work in the United States (part of the I-9 form listed below).

1. Signed Proprietary Information and Inventions Agreement

2. Completed I-9 Form and documentation

This offer expires within ten (10) calendar days of the date of this letter unless the Company receives a signed copy within that period.

We are delighted to be able to extend this offer of employment to you and sincerely feel the Company can provide you with the opportunity to achieve rewarding results for both you and the Company. Please contact me with any questions. We look forward to working with you.

Sincerely,

/s/ Martin Babler
Martin Babler, President

I have read and understood this offer letter and hereby acknowledge, accept and agree to the terms as set forth above and attached and further acknowledge that no other commitments were made to me as part of my employment offer except as specifically set forth herein.

/s/ Sara Klein
Sara Klein

Date: 1/12/2022

ATTACHMENT A

Definitions, Terms and Conditions

1. Termination of Employment.

a. At-Will Employment. Your employment with the Company is at-will, meaning either you or the Company can terminate your employment at any time, with or without cause, and with or without notice. Neither you nor the Company can change the "at will" nature of your employment, unless the CEO or the Board of the Company and you sign a written contract that explicitly changes your status as an "at will" employee.

b. Payment & Benefits Upon Termination. Your entitlement to payment and benefits upon termination is as follows:

(i) Termination Without "Cause" or "Constructive Termination". If your employment is terminated involuntarily without Cause (as defined in Section 3(a), below) or in the event of your "Constructive Termination" (as defined in Section 3(c) below) and you are subject to a "Separation" under Section 409A (as defined in Section 4 below):

(A) you will receive payment for any earned and unpaid salary as of the date of your termination of employment; and,

(B) in the event you execute and do not revoke the general release of claims ("Release"), in the form attached hereto as Attachment B, you will be offered the Separation Compensation (as defined in Section 2, below); provided, however, that the Release will not waive or release (i) any rights or claims you may have for indemnification, and/or contribution, advancement or payment of related expenses pursuant to any written agreement with the Company, the Company's Bylaws or other organizing documents, and/or under applicable law; (ii) any rights that are not waivable as a matter of law; (iii) any rights to any vested benefits under any stock, compensation or other employee benefit plan or agreement with the Company; (iv) any rights you may have to any insurance coverage under any directors and officers liability insurance, other insurance policies of the Company, COBRA or any similar state law; (v) any rights you may have as a shareholder of the Company, if applicable; and (vi) any claims arising from events after the date you sign the Release. Subject to the terms of Section 7 below, you will not be entitled to or offered any form of additional severance pay or benefits other than the Separation Compensation (e.g., you will not be entitled to pay or benefits under any employee severance plan that is generally applicable to employees).

(ii) Voluntary Termination. If you voluntarily terminate your employment, or give notice that you will voluntarily terminate your employment at a future date (and whether or not the Company accelerates the effective date of your resignation date that you provide to an earlier termination date), you will receive payment(s) for all earned and unpaid salary. You will not be entitled to the Separation Compensation, or any other form of severance pay or benefits.

(iii) Termination for Cause. If your employment is terminated for Cause, you will receive payment(s) for all earned and unpaid salary as of your termination. You will not be entitled to the Separation Compensation, or any other form of severance pay or benefits.

2. Separation Compensation. If you are entitled to Separation Compensation under Section 1 above, your "Separation Compensation" will include each of the following, as well as the applicable vesting acceleration terms described in Section 7:

a. Salary Continuance. You will be offered pay equal to nine months of your regular base salary subject to applicable payroll deductions and withholdings ("Salary Continuance").

Your first salary continuance payment equal to one (1) month of your regular base salary shall commence on the thirtieth (30th) day following your termination of employment (unless a longer period is required by law to make the Release effective, in which case the first Salary Continuance payment shall be made on the sixtieth (60th) day following your termination of employment) provided the Release is effective at such time, and the remainder shall be paid in monthly installments beginning on the 1st day of the second month following your termination of employment, and on the 1st day of each month thereafter, until the total payment obligation is fulfilled. If the 60-day consideration and revocation period spans two calendar years, then the monthly installments will commence, if applicable, on the first payroll date in the second calendar year following expiration of the applicable revocation period.

b. Acceleration of Vesting. Subject to the terms of your applicable equity grant agreements, the vesting applicable to any equity grants made by the Company to you shall accelerate as to that number of shares underlying such equity grant or grants that would have vested on the first anniversary of the date your employment terminates, such acceleration effective immediately prior to such termination.

c. Other Benefits. The Company will reimburse you for your expenses in continuing medical insurance benefits for you and your family (meaning medical, dental, optical, and mental health, but not life, insurance) under the Company's then-existing benefit plans (or otherwise in obtaining coverage substantially comparable to the coverage provided to you prior to the termination) over the period beginning on the date your employment terminates and ending on the earlier of (a) your period of Salary Continuance as provided above, or (b) the date you commence employment with another entity.

3. Definitions.

a. Cause. For the purposes of this letter agreement, "Cause" means your "Separation" by the Company for any of the following reasons: (i) your willful or gross neglect and material failure to perform your duties and responsibilities to the Company, including but not limited to a failure to cooperate with the Company in any investigation or formal proceeding; (ii) your commission of any act of fraud, embezzlement, dishonesty or any other intentional misconduct in connection with your responsibilities as an employee that is materially injurious to the Company; (iii) the unauthorized use or disclosure by you of any proprietary information or trade secrets of the Company or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company; (iv) you are convicted of, or enter a no contest plea to, a felony; or (v) your breach of any of your material obligations under any Company policy, written agreement or covenant with the Company (including this letter agreement). A termination of employment under subparts (i), (iii) and (v) shall not be deemed cause unless you have first been given specific written notice of subpart and facts relied upon and thirty days to cure. The determination as to whether you are being terminated for Cause, and whether you have cured any such actions or inactions during any thirty day cure period with respect to subparts (i), (iii) and (v) and with respect to subpart (v) whether such breach is capable of being cured, shall be made in good faith by the Board of Directors. The foregoing definition does not in any way limit the Company's ability to terminate your employment at any time as provided in Section 1(a) above.

b. **Change of Control**. For purposes of this letter agreement, "Change of Control" of the Company is defined as: (i) the date any non-affiliated "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes, subsequent to the date hereof, the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities, other than pursuant to a sale by the Company of its securities in a transaction or series of related transactions the primary purpose of which is to raise capital for the Company; (ii) the date of the consummation of a merger or consolidation of the Company with any other corporation that has been approved by the stockholders of the Company, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (iii) the date of the consummation of the sale or disposition by the Company of all or substantially all the Company's assets.

c. **Constructive Termination**. For the purposes of this letter agreement, "Constructive Termination" means your Separation as the result of resignation for any of the following, except as otherwise agreed in writing by you: (i) a material reduction in your job duties, position and responsibilities, taken as a whole, other than in connection with an Excluded Change of Control; (ii) the Company requires you to relocate to a facility or location more than thirty-five (35) miles from the location from the primary location at which you were working for the Company immediately before the required change of location; (iii) any reduction of your base salary in effect immediately prior to such reduction (other than as part of an across-the-board, proportional reduction), or (iv) the Company materially breaches the terms of this Agreement. Notwithstanding anything else contained herein, in the event of the occurrence of a condition listed above you must provide notice to the Company within sixty (60) days of the occurrence of a condition listed above and allow the Company thirty (30) days after your delivery of notice to the Company in which to cure such condition. Additionally, in the event the Company fails to cure the condition within the cure period provided, you must terminate employment with the Company within ten (10) days of the end of the cure period.

d. **Excluded Change of Control**. For purposes of this letter agreement, an "Excluded Change of Control" shall mean (i) a Change of Control involving any transaction with Aclaris Therapeutics Inc. or (ii) a Change of Control with a Special Purpose Acquisition Company formed by, or affiliated with, Foresite Capital Management or its affiliated funds (a "Foresite SPAC") on or prior to September 15, 2023.

4. **Code Section 409A**. For purposes of this letter agreement, a "Separation" will be determined consistent with the rules relating to a "separation from service" as defined in Section 409A of the Code and the regulations thereunder ("Section 409A"). Notwithstanding anything else provided herein, to the extent any payments provided under this letter agreement in connection with your termination of employment constitute deferred compensation subject to Section 409A, and you are deemed at the time of such termination of employment to be a "specified employee" under Section 409A, then such payment shall not be made or commence until the earlier of (i) the expiration of the 6-month period measured from your Separation from the Company or (ii) the date of your death following such a Separation; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to you including, without limitation, the additional tax for which you would otherwise be liable under Section 409A(a)(1)(B) in the absence of such a deferral. The first payment thereof will include a catch-up payment covering the amount that would have otherwise been paid during the period between your termination of employment and the first payment date but for the application of this provision, and the balance of the installments (if any) will be payable in accordance with their original schedule. To the extent that any provision of this letter agreement is ambiguous as to its compliance with Section 409A, the provision will be read in such a manner so that all payments hereunder comply with Section 409A. To the extent any payment under this letter agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this section are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

5. **Code Section 280G**. In the event that the severance and any other benefits provided for in this letter agreement or otherwise payable to you (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then your benefits under this letter agreement shall be either:

a. delivered in full; or

b. delivered as to such lesser extent that would result in no portion of such benefits being subject to the Excise Tax, (with first a pro rata reduction of (i) cash payments subject to Section 409A of the Code as deferred compensation and (ii) cash payments not subject to Section 409A of the Code, and then a pro rata cancellation of (i) equity-based compensation subject to Section 409A of the Code as deferred compensation and (ii) equity-based compensation not subject to Section 409A of the Code), whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in your receipt on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code.

Unless you and the Company otherwise agree in writing, the determination of your excise tax liability and the amount required to be paid under this Section shall be made in writing by an accounting firm to be selected by reasonable agreement between you and the Company, whose determination shall be conclusive and binding upon you and the Company for all purposes. For purposes of making the calculations required by this Section, the accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Section 280G and 4999 of the Code. You and the Company shall furnish to the accountants such information and documents as the accountants may reasonably request in order to make a determination under this Section. The Company shall bear all costs the accountants may reasonably incur in connection with any calculations contemplated by this Section.

6. **Other Agreements**. This offer letter, including Attachment A (collectively, the "Offer Letter") sets forth the terms of your employment with Company, including but not limited to the benefits you are eligible to receive in the event your employment with the Company is terminated in the manner described herein and supersedes any prior representations or agreements, whether written or oral. In the event of a conflict between the terms of the Offer Letter and any other agreement you have entered into with the Company the Offer Letter shall apply. Notwithstanding the foregoing, in the event of a conflict between the terms of the Offer Letter and the documents reflecting your Option, the terms of the equity documentation shall govern. The definitions, terms and conditions contained in the Offer Letter may not be modified or amended except by a written agreement, signed by an authorized representative at the direction of the Board of Directors of the Company and by you.

7. **Change of Control Vesting Acceleration and Severance**. In the event of a Change of Control of the Company (other than an Excluded Change of Control), the Option shall vest with respect to 50% of any then unvested shares subject to the Option as of immediately prior to the closing of such Change of Control, provided you are still providing services to the Company at such time. In addition, if following a Change of Control you are subject to a Separation without Cause or a Constructive Termination within twelve months following such Change of Control, then the Option shall vest in full; for avoidance of doubt, a Change of Control under this sentence shall include an Excluded Change of Control. The additional vesting of the Option contemplated by the preceding sentence shall be effective on the effective date of the Release referenced in Section 1 required as a condition to Separation Compensation.

8. **Binding on Successors**. The terms of this letter agreement will inure to the benefit of, be binding on, and enforceable by the parties and their respective, successors, heirs, agents, legal representatives and assigns. The Company will require any successors or assigns to expressly assume and agree to perform this letter agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place.

9. **Indemification**. To the fullest extent allowed by applicable law, the Company will indemnify, defend and hold you harmless from and against any and all claims, liabilities and expenses of any kind and nature (including, without limitation, any reasonable attorneys' fees, settlements, judgments, fines, excise taxes and other costs) which you actually incur in connection with any threatened, pending or completed action, suit or proceeding of any kind whether civil, criminal, administrative or investigative to which you are made or threatened to be made a party, witness or other participant by reason of your employment with the Company or any of its affiliates or by reason of your performance of any duties on behalf of the Company or services rendered at the request of the Company in any capacity. Upon your request, the Company will also promptly advance any expenses for which indemnification is available. In addition, the Company will maintain, at its sole expense, director and officer liability insurance covering you, to the same extent as the most favorably-insured persons under such policy or policies, both for the period of your service as an officer and/or director of the Company and for so long thereafter as you may reasonably be subject to any claim, covering any acts or omissions in his capacity as an officer and/or director of the Company or any of its affiliates. Your rights under this paragraph are in addition to, and exclusive of, any rights you may have to indemnification, insurance coverage, or exculpation under the Company's Bylaws, Articles of Incorporation or other organizing documents or as otherwise provided by applicable law.

10. **Governing Law**. This Agreement will in all respects be interpreted and governed under the laws of the State of California, without regard to its conflict of law rules. The prevailing party in any dispute arising from or related to this Agreement will be entitled to an award of reasonable attorneys' fees and costs, in addition to any other relief awarded.

ATTACHMENT B

FORM OF
RELEASE AGREEMENT

This Release Agreement (this "Agreement") is dated as of _____ __, 202_ by and between Alumis Inc., a Delaware corporation (the "Company") and _____ ("Executive;" or "You" and together with the Company, the "Parties").

WHEREAS, the Company and Executive entered into an offer letter, dated _____ __, 2021 (the "Offer Letter");

WHEREAS, the Company and Executive now desire to terminate the Employee's employment as of _____ __, 202_ (the "Termination Date"); and

WHEREAS, this Agreement confirms the agreement between You and the Company regarding the termination of Your employment with the Company.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the Parties hereby agree as follows:

1. Resignation. You hereby resign as [INSERT TITLE] of the Company effective as of the Termination Date. You and the Company agree that Your termination is a Separation without Cause or a Constructive Termination (as such terms are defined in Attachment A to the Offer Letter).

2. Final Pay. On the Termination Date, the Company will pay You $_____, less all applicable withholdings. This amount represents all of Your salary earned through the Termination Date and all of Your accrued but unused vacation time or PTO. You acknowledge that, prior to the execution of this Agreement, and other than as set forth in Attachment A to Your Offer Letter, You are not entitled to receive any additional money from the Company, and that the only payments that You are entitled to receive from the Company in the future are those specified in this Agreement and Attachment A.

3. Separation Compensation. Pursuant to the terms of the Offer Letter, if You timely sign this Agreement and this Agreement becomes effective in accordance with Section 9 below, the Company will provide You with the Separation Compensation as defined and described in Attachment A to the Offer Letter within ten (10) days of the Effective Date (as defined below).

4. Benefits. Except as provided in Attachment A to Your Offer Letter, Your participation in all employee benefits plans and programs will end on the Termination Date. Under separate cover, You will receive information about Your rights, if any, to continue Your group health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA") after the Termination Date, including as provided in Attachment A. In order to continue Your coverage, You must file the required election form.

5. Company Shares. On or about _____, the Company issued You a stock option to purchase _____ shares of its common stock pursuant to the stock option agreement, dated [INSERT DATE] (the "Stock Option Agreement"). Currently, you are vested in _____ option shares subject to the Stock Option Agreement (the "Vested Option Shares"). Pursuant to Attachment A of Your Offer Letter and if this Agreement become effective in accordance with Section 9 below, you will vest in an additional _____ option shares subject to the Stock Option Agreement (the "Additional Vested Option Shares"). Except as otherwise provided in this Section 5, the Vested Option Shares and Additional Vested Option Shares remain subject to the Stock Option Agreement and stock option plan. You acknowledge and agree that other than the Vested Option Shares and Additional Vested Option Shares, You have no further rights to the Company's capital stock, or any rights to receive or vest in any additional shares of the Company capital stock.

6. Release of All Claims.

(a) Executive Release. In consideration for the Separation Compensation set forth in Section 3 (above) and other benefits provided to You in this Agreement, to the fullest extent permitted by law, You waive, release and promise never to assert any claims or causes of action, whether or not now known, against the Company or its predecessors, successors or past or present subsidiaries, stockholders, directors, officers, employees, consultants, attorneys, agents, assigns, employee benefit plans, and each of their respective indirect and direct affiliates, stockholders, directors, officers, managers, members, employees, consultants, attorneys, agents and assigns with respect to any matter, including (without limitation) any matter related to Your employment with the Company, the termination of that employment, or Your ownership of the Company's capital stock, right to purchase or the actual purchase or receipt of shares of the Company's capital stock, including (without limitation) claims to attorneys' fees or costs, claims of wrongful discharge, constructive discharge, emotional distress, defamation, invasion of privacy, fraud, breach of contract or breach of the covenant of good faith and fair dealing and any claims of discrimination or harassment based on sex, age, race, national origin, disability or any other basis under Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, the California Fair Pay Act, the Equal Pay Act, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the National Labor Relations Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Workers Adjustment and Retraining Notification ("WARN") Act, the Families First Coronavirus Response Act, the CARES Act, the California WARN Act, and all other laws and regulations relating to employment. However, this release covers only those claims that arose prior to the execution of this Agreement and only those claims that may be waived by applicable law. Execution of this Agreement does not bar any claim that arises hereafter, including (without limitation) a claim for breach of this Agreement and does not bar any claim by Executive for indemnification by the Company for claims, losses or costs arising from or related to his service as an officer and director of the Company.

(b) Waiver. You expressly waive and release any and all rights and benefits under Section 1542 of the California Civil Code (or any analogous law of any other state), which reads as follows:

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

7. Exceptions. Nothing contained in this Agreement limits Your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). You further understand that this Agreement does not limit Your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit Your right to receive an award for information provided to any Government Agencies. However, You understand and agree that You shall not be entitled to, and shall not seek nor permit anyone to seek on Your behalf, any personal, equitable or monetary relief for any claims or causes of action released by You in this Agreement, to the fullest extent permitted by law.

8. No Admission. Nothing contained in this Agreement will constitute or be treated as an admission by You or the Company of liability, any wrongdoing or any violation of law.

9. Consideration and Revocation Period. You acknowledge that You have hereby been advised in writing to consult with an attorney of Your choice prior to signing this Agreement, and that You had at least twenty-one (21) days to consider this Agreement before signing it. You acknowledge that if this Agreement is signed before twenty-one (21) days have elapsed from the date of delivery, by signing this Agreement You have expressly waived the twenty-one (21)-day consideration period. You acknowledge that You may revoke this Agreement within seven (7) days following its execution, and the Agreement shall not become effective until the revocation period has expired. If You do not revoke this Agreement, the eighth day after the date You sign the Agreement will be the "Effective Date."

10. Section 409A. Any amount paid under this Agreement is intended to satisfy the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition before actual payment to Executive under Section 409A. For purposes of this Agreement, each of the salary continuation payments provided for in Section 3(a) to be made to You under this Agreement is designated as a separate payment under Section 409A.

11. Opportunity to Seek Counsel. Executive acknowledges by signing this Agreement that he/she has read and understands this document, that he/she has conferred with or had the opportunity to confer with an attorney of his choice regarding the terms and meaning of this Agreement, that he/she has had sufficient time to consider the terms provided for in this Agreement, that no representations or inducements have been made to his/her as set forth herein, and that he/she has signed the same knowingly and voluntarily.

12. Confidentiality. You agree that You will not disclose to others the existence or terms of this Agreement, except that You may disclose such information to your spouse, attorney or tax adviser if such individuals agree that they will not disclose to others the existence or terms of this Agreement.

13. Company Property. You represent that You will return to the Company all property that belongs to the Company, including (without limitation) copies of documents that belong to the Company and files stored on your computer(s) that contain information belonging to the Company on or before the Termination Date.

14. Mutual Non-Disparagement/Public Statements. You agree that You will never make any negative or disparaging statements (orally or in writing) about the Company or its predecessors, successors or past or present subsidiaries, stockholders, directors, officers, employees, consultants, attorneys, agents, assigns, employee benefit plans, and each of their respective affiliates, stockholders, directors, officers, managers, members, employees, consultants, attorneys, agents and assigns, except as required by law. The Company shall direct its officers and directors to not make any negative or disparaging statements (orally or in writing) about You. You agree to cooperate with the Company and its public relations firm on all external and internal communications regarding your termination. You agree that You will not provide any interviews or statements relating to your termination or otherwise to the Company without obtaining Board approval prior to providing any such interviews or statements.

15. Assignment. This Agreement will be binding upon and inure to the benefit of (a) the heirs, executors and legal representatives of Executive upon Executive's death and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. None of the rights of Executive to receive any form of compensation payable pursuant to this Agreement may be assigned or transferred except by will or the laws of descent and distribution. Any other attempted assignment, transfer, conveyance or other disposition of Executive's right to compensation or other benefits will be null and void.

16. Notices. All notices, requests, demands and other communications called for hereunder will be in writing and will be deemed given (a) on the date of delivery if delivered personally, (b) one (1) day after being sent by a well-established commercial overnight service, or (c) four (4) days after being mailed by registered or certified mail, return receipt requested, prepaid and addressed to the Parties or their successors at the following addresses, or at such other addresses as the Parties may later designate in writing:

If to the Company:
Alumis Inc.
Attn: Chair of the Board of Directors

If to Executive: Last address on file with the Company.

17. Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement will continue in full force and effect without said provision. In the event that a court of competent jurisdiction shall determine that any provision of this Agreement or the application thereof is unenforceable in whole or in part because of the duration or scope thereof, the Parties hereto agree that said court in making such determination shall have the power to reduce the duration and scope of such provision to the extent necessary to make it enforceable, and that the Agreement in its reduced form shall be valid and enforceable to the full extent permitted by law.

18. Other Agreements. At all times in the future, You will remain bound by the Proprietary Information and Inventions Agreement (the "PIIA") with the Company that You signed on or about _____, __, 2021, a copy of which is attached as **Exhibit I**. This Agreement, which incorporates the PIIA, represents the entire agreement and understanding between the Parties as to the subject matter herein and supersedes all prior or contemporaneous agreements whether written or oral, including, without limitation, the Offer Letter and the Dispute Resolution/Arbitration Agreement, dated _____, __, 2021. This Agreement may be modified only in a written document signed by Executive and a duly authorized officer of the Company.

19. Governing Law/Jurisdiction. The terms of this Agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this Agreement or arising out of, related to, or in any way connected with, this Agreement, Your employment with the Company or any other relationship between You and the Company (the "Disputes") will be governed by California law, excluding laws relating to conflicts or choice of law. Executive and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in San Francisco, California in connection with any Dispute or any claim related to any Dispute.

20. Waiver of Breach. The waiver of a breach of any term or provision of this Agreement, which must be in writing, will not operate as or be construed to be a waiver of any other previous or subsequent breach of this Agreement.

21. Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

22. Tax Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable taxes.

23. Counterparts. This Agreement may be executed in counterparts, and each counterpart will have the same force and effect as an original and will constitute an effective, binding agreement on the part of each of the undersigned. Execution of a facsimile copy will have the same force and effect as execution of an original, and a facsimile signature will be deemed an original and valid signature.

[Signature Page to Follow]

IN WITNESS WHEREOF, each of the Parties has executed this Agreement, in the case of the Company by their duly authorized officers, as of the day and year first above written.

ALUMIS INC.:

Date: _____

By: _____
Name: _____
Title: _____

I agree to the terms of this Agreement, and I am voluntarily signing this release of all claims. I acknowledge that I have read and understand this Agreement, and I understand that I cannot pursue any of the claims and rights that I have waived in this Agreement at any time in the future.

EXECUTIVE:

Date: _____

_____
Name: _____

EXHIBIT I

PIIA

Exhibit 10.20

Alumis Inc.

alumis.com

March 22, 2022

John Schroer

Re: Offer of Employment

Dear John:

We are pleased to present this offer of employment for the position of Chief Financial Officer of Alumis Inc. (the "Company"). This is a full-time, exempt position, carrying considerable responsibility and is integral to the development and success of the business. We are excited about your interest in joining the Company full-time. This letter agreement formally presents the specifics of our offer for your consideration:

Title:	Chief Financial Officer
Base Pay:	$400,000.00 per year
Status:	Regular, Full-Time Employee, Exempt
Reports to:	Martin Babler, Chief Executive Officer
Start Date:	March 30, 2022
Location:	South San Francisco

Scope of Work

You will report directly to Martin Babler, the Company's CEO, and will principally work from the Company's facility, located in South San Francisco, California. Subject to health and safety issues regarding the ongoing COVID pandemic, you will be expected to work in the office Tuesday through Thursday, and remotely on Monday and Friday. Subject to your right to receive severance upon a Constructive Termination (as defined herein), the Company may change your position, duties, and work location or reporting structure from time to time at its discretion.

Professional Contribution

You agree that you will, at all times and to the best of your abilities, loyally and conscientiously perform all of the duties and obligations required of you pursuant to the express and implicit terms of this letter, and to the reasonable satisfaction of the Company. You further agree that during your term of employment, you will devote all of your business time and attention to the business of the Company and that the Company will be entitled to all of the benefits and profits arising from or incidental to all your work, services and advice. You agree that you will not provide commercial or professional services of any nature to any other person or organization, whether or not for compensation, without the prior written consent of the Board of Directors of the Company. You further agree that during your employment with the Company, you will not directly or indirectly engage or participate in any business that is competitive, in any manner, with the business of the Company. Notwithstanding the foregoing, you may serve on corporate boards or committees, civic, charitable or other non-profit boards, committees or organizations, deliver lectures or fulfill speaking engagements; provided, however, that (i) such activities do not individually or in the aggregate materially interfere with the performance of your duties under this letter agreement and (ii) you notify and receive prior written consent from the Board of Directors. You further agree to comply with the Company's written policies and rules, as they may be in effect from time to time during your employment.

At-Will Employment Status

Your employment with the Company is "at-will" and will continue only so long as continued employment is mutually agreeable to you and the Company. While we are extending this offer with the hope you will stay and enhance your career with us, either you or the Company may terminate the employment relationship (and the Company may modify the terms of your employment) at any time, for any reason, with or without notice or cause, subject to the provisions of Attachment A which are incorporated herein.

Compensation

1. Base Salary. You will be paid a base salary of $400,000.00 per year. Your Base Salary will be payable pursuant to the Company's regular payroll policy.

2. Bonus. You will be eligible for a discretionary cash bonus targeted at 35% of your base salary, payable in accordance with this paragraph. Payment of the discretionary bonus will be at the discretion of the Board and subject to many variables, especially the success of the Company and your contribution towards that success. Target bonuses are currently paid on a fiscal (calendar) year schedule in Q1 of each year for the prior year, and are prorated for partial year service for those employees whose employment begins between January 1 and September 30. Employees who begin employment during the fourth calendar quarter of the year will not be entitled to any prorated bonus for that year. You must be an employee of the Company through the payment date in order to be eligible to receive your bonus.

3. Equity. Subject to approval of the Board at its next regularly scheduled meeting following your hire date, you will be granted options to purchase a total of 1,100,000 shares of the Company's Common Stock, which grant shall consist of two separate option grants:

   (a) An option to purchase 800,000 shares of the Company's Common Stock that will vest over a 4-year period (your "4-Year Option"). Your 4-Year Option shall vest based solely on continued service provided to the Company and shall vest over a 4-year period with one-quarter of your 4-Year Option vesting on the one-year anniversary of your start date with the Company, and the balance vesting in equal monthly installments over the three years thereafter (i.e., 1/48ths per month).

   (b) A long-term incentive option to purchase 300,000 shares of the Company's Common Stock that will vest over a 6-year period (your "6-Year Option"; your 4-Year Option and your 6-Year Option shall be collectively referred to as your "Options"). Your 6-Year Option shall vest based solely on continued service provided to the Company and shall vest over a 6-year period with one-third of your 6-Year Options vesting on the 2nd annual anniversary of your start date with the Company, and the balance vesting in equal monthly installments over the four years thereafter (i.e., 1/72ths per month).

   The exercise price of the Options will be consistent with the Company's then-current 409A valuation. In addition, the Options will be eligible for the vesting acceleration described in Section 2 and in Section 7 of Attachment A. The Options will be "early-exercisable", such that you will be eligible to exercise shares subject to the Option prior to their vesting, and the Options will be exercisable until the earlier of (x) the expiration of the Options' 10-year term or (y) unless the Options are assumed by the acquiring company, upon the effective date of a Change of Control. The Options will be an ISO to the extent statutorily permissible. The Options will be subject to the Company's stock plan and the Company's standard form of stock option agreement (with appropriate modifications to reflect the terms referenced above).

4. Salary. Your Base Salary will be reviewed annually as part of the Company's normal salary review process, for increase (but not decease other than as part of an across-the-board cost-cutting measure).

5. Expenses. The Company will reimburse you for reasonable travel, entertainment or other expenses incurred by you in furtherance or in connection with the performance of your duties hereunder.

Employee Benefits

You will be eligible to participate in Company-sponsored benefits, as in place from time to time. Availability, terms and the associated eligibility requirements of the Company's benefit programs are subject to change by the Company from time to time, with or without notice.

Proprietary Information and Inventions Agreement

Your acceptance of this offer and commencement of employment with the Company is contingent upon the execution, and delivery to an officer of the Company, of the Company's Proprietary Information and Inventions Agreement (the "PIIA"), prior to or on your Start Date.

Vaccination Policy

Your acceptance of this offer and commencement of employment with the Company is contingent upon you providing proof that you have received all current CDC-recommended doses of an EUA or FDA-approved vaccine against COVID-19.

Non-Competition/Non-Solicitation

Prior to accepting this offer, you must disclose in writing to the undersigned the existence of any employment agreement, non-compete or non-solicitation agreement, confidentiality or similar agreement(s) with a current or former employer that in any way would prohibit your performance of any duties or responsibilities with the Company.

Employee Policies

You will be subject to the Company's employee policies as established by Company management and the Board from time to time. The provisions of this offer letter and all other documents referenced herein constitute the full and complete terms of your employment and supersede any prior representations or agreements by anyone, either oral or written. These terms of employment are not subject to change or modification of any kind, unless specified in writing, and signed by you and the Company's CEO or a member of the Board, as applicable.

Tax Matters

All forms of compensation referred to in this offer letter are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law. You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board related to tax liabilities arising from your compensation.

Company Successors

This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. Any such successor will within a reasonable period of becoming the successor assume in writing and be bound by all of the Company's obligations under this Agreement. For all purposes under this Agreement, the term "Company" shall include Alumis Inc. as well as any successor entity and to any successor to the Company's business or assets that becomes bound by this Agreement.

Acceptance of Employment

This offer of employment is contingent upon your completion, execution, and our receipt of all employment documents listed in this letter on or before your Start Date (see below).

Once you have had an opportunity to consider this offer letter, please indicate your agreement with these terms and conditions of employment by providing a signed copy of your offer back to the company's CEO.

We must receive the following documents from you before your first day of work (the first two forms will be provided to you upon acceptance of this letter agreement). In addition, we must receive acceptable proof of identification and authorization to work in the United States (part of the 1-9 form listed below).

1. Signed Proprietary Information and Inventions Agreement
2. Completed 1-9 Form and documentation (to be uploaded to BambooHR with paperwork)
3. Proof of COVID-19 vaccination (to be uploaded to BambooHR with paperwork)

This offer expires within ten (10) calendar days of the date of this letter unless the Company receives a signed copy within that period.

We are delighted to be able to extend this offer of employment to you and sincerely feel the Company can provide you with the opportunity to achieve rewarding results for both you and the Company. Please contact me with any questions. We look forward to working with you.

Sincerely,

/s/ Martin Babler

Martin Babler, President

I have read and understood this offer letter and hereby acknowledge, accept and agree to the terms as set forth above and attached and further acknowledge that no other commitments were made to me as part of my employment offer except as specifically set forth herein.

/s/ John Schroer
John Schroer

Date: 23-Mar-2022 | 12:42 EDT

ATTACHMENT A

Definitions, Terms and Conditions

1. Termination of Employment.

a. At-Will Employment. Your employment with the Company is at-will, meaning either you or the Company can terminate your employment at any time, with or without cause, and with or without notice. Neither you nor the Company can change the "at will" nature of your employment, unless the CEO or the Board of the Company and you sign a written contract that explicitly changes your status as an "at will" employee.

b. Payment & Benefits Upon Termination. Your entitlement to payment and benefits upon termination is as follows:

(i) Termination Without "Cause" or "Constructive Termination". If your employment is terminated involuntarily without Cause (as defined in Section 3(a), below) or in the event of your "Constructive Termination" (as defined in Section 3(c) below) and you are subject to a "Separation" under Section 409A (as defined in Section 4 below):

(A) you will receive payment for any earned and unpaid salary as of the date of your termination of employment; and,

(B) in the event you execute and do not revoke the general release of claims ("Release"), in the form attached hereto as Attachment B, you will be offered the Separation Compensation (as defined in Section 2, below). Subject to the terms of Section 7 below, You will not be entitled to or offered any form of additional severance pay or benefits other than the Separation Compensation (e.g., you will not be entitled to pay or benefits under any employee severance plan that is generally applicable to employees).

(ii) Voluntary Termination. If you voluntarily terminate your employment, or give notice that you will voluntarily terminate your employment at a future date (and whether or not the Company accelerates the effective date of your resignation date that you provide to an earlier termination date), you will receive payment(s) for all earned and unpaid salary. You will not be entitled to the Separation Compensation, or any other form of severance pay or benefits.

(iii) Termination for Cause. If your employment is terminated for Cause, you will receive payment(s) for all earned and unpaid salary as of your termination. You will not be entitled to the Separation Compensation, or any other form of severance pay or benefits.

2. Separation Compensation. If you are entitled to Separation Compensation under Section 1 above, your "Separation Compensation" will include each of the following, as well as the applicable vesting acceleration terms described in Section 7:

a. Salary Continuance. You will be offered pay equal to nine months of your regular base salary subject to applicable payroll deductions and withholdings ("Salary Continuance").

Your first salary continuance payment equal to one (1) month of your regular base salary shall commence on the thirtieth (30th) day following your termination of employment (unless a longer period is required by law to make the Release effective, in which case the first Salary Continuance payment shall be made on the sixtieth (60th) day following your termination of employment) provided the Release is effective at such time, and the remainder shall be paid in monthly installments beginning on the 1st day of the second month following your termination of employment, and on the 1st day of each month thereafter, until the total payment obligation is fulfilled. If the 60-day consideration and revocation period spans two calendar years, then the monthly installments will commence, if applicable, on the first payroll date in the second calendar year following expiration of the applicable revocation period.

b. **Acceleration of Vesting**. Subject to the terms of your applicable equity grant agreements, the vesting applicable to any equity grants made by the Company to you shall accelerate as to that number of shares underlying such equity grant or grants that would have vested on the first anniversary of the date your employment terminates, such acceleration effective immediately prior to such termination.

c. **Other Benefits**. The Company will reimburse you for your expenses in continuing medical insurance benefits for you and your family (meaning medical, dental, optical, and mental health, but not life, insurance) under the Company's then-existing benefit plans (or otherwise in obtaining coverage substantially comparable to the coverage provided to you prior to the termination) over the period beginning on the date your employment terminates and ending on the earlier of (a) your period of Salary Continuance as provided above, or (b) the date you commence employment with another entity.

3. Definitions.

a. **Cause.** For the purposes of this letter agreement, "Cause" means your "Separation" by the Company for any of the following reasons: (i) your willful or gross neglect and material failure to perform your duties and responsibilities to the Company, including but not limited to a failure to cooperate with the Company in any investigation or formal proceeding; (ii) your commission of any act of fraud, embezzlement, dishonesty or any other intentional misconduct in connection with your responsibilities as an employee that is materially injurious to the Company; (iii) the unauthorized use or disclosure by you of any proprietary information or trade secrets of the Company or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company; (iv) you are convicted of, or enter a no contest plea to, a felony; or (v) your breach of any of your material obligations under any Company policy, written agreement or covenant with the Company (including this letter agreement). A termination of employment under subparts (i), (iii) and (v) shall not be deemed cause unless you have first been given specific written notice of subpart and facts relied upon and thirty days to cure. The determination as to whether you are being terminated for Cause, and whether you have cured any such actions or inactions during any thirty day cure period with respect to subparts (i), (iii) and (v) and with respect to subpart (v) whether such breach is capable of being cured, shall be made in good faith by the Board of Directors. The foregoing definition does not in any way limit the Company's ability to terminate your employment at any time as provided in Section 1(a) above.

b. **Change of Control.** For purposes of this letter agreement, "Change of Control" of the Company is defined as: (i) the date any non-affiliated "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes, subsequent to the date hereof, the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities, other than pursuant to a sale by the Company of its securities in a transaction or series of related transactions the primary purpose of which is to raise capital for the Company; (ii) the date of the consummation of a merger or consolidation of the Company with any other corporation that has been approved by the stockholders of the Company, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (iii) the date of the consummation of the sale or disposition by the Company of all or substantially all the Company's assets.

c. **Constructive Termination.** For the purposes of this letter agreement, "Constructive Termination" means your Separation as the result of resignation for any of the following, except as otherwise agreed in writing by you: (i) a material reduction in your job duties, position and responsibilities, taken as a whole, other than in connection with an Excluded Change of Control; (ii) the Company requires you to relocate to a facility or location more than thirty-five (35) miles from the location from the primary location at which you were working for the Company immediately before the required change of location; (iii) any reduction of your base salary in effect immediately prior to such reduction (other than as part of an across-the-board, proportional reduction), or (iv) the Company materially breaches the terms of this Agreement. Notwithstanding anything else contained herein, in the event of the occurrence of a condition listed above you must provide notice to the Company within sixty (60) days of the occurrence of a condition listed above and allow the Company thirty (30) days after your delivery of notice to the Company in which to cure such condition. Additionally, in the event the Company fails to cure the condition within the cure period provided, you must terminate employment with the Company within ten (10) days of the end of the cure period.

d. **Excluded Change of Control.** For purposes of this letter agreement, an "Excluded Change of Control" shall mean (i) a Change of Control involving any transaction with Aclaris Therapeutics Inc. or (ii) a Change of Control with a Special Purpose Acquisition Company formed by, or affiliated with, Foresite Capital Management or its affiliated funds (a "Foresite SPAC") on or prior to September 15, 2023.

4. **Code Section 409A.** For purposes of this letter agreement, a "Separation" will be determined consistent with the rules relating to a "separation from service" as defined in Section 409A of the Code and the regulations thereunder ("Section 409A"). Notwithstanding anything else provided herein, to the extent any payments provided under this letter agreement in connection with your termination of employment constitute deferred compensation subject to Section 409A, and you are deemed at the time of such termination of employment to be a "specified employee" under Section 409A, then such payment shall not be made or commence until the earlier of (i) the expiration of the 6-month period measured from your Separation from the Company or (ii) the date of your death following such a Separation; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to you including, without limitation, the additional tax for which you would otherwise be liable under Section 409A(a)(1)(B) in the absence of such a deferral. The first payment thereof will include a catch-up payment covering the amount that would have otherwise been paid during the period between your termination of employment and the first payment date but for the application of this provision, and the balance of the installments (if any) will be payable in accordance with their original schedule. To the extent that any provision of this letter agreement is ambiguous as to its compliance with Section 409A, the provision will be read in such a manner so that all payments hereunder comply with Section 409A. To the extent any payment under this letter agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this section are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

5. **Code Section 280G.** In the event that the severance and any other benefits provided for in this letter agreement or otherwise payable to you (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then your benefits under this letter agreement shall be either:

a. delivered in full; or

b. delivered as to such lesser extent that would result in no portion of such benefits being subject to the Excise Tax, (with first a pro rata reduction of (i) cash payments subject to Section 409A of the Code as deferred compensation and (ii) cash payments not subject to Section 409A of the Code, and then a pro rata cancellation of (i) equity-based compensation subject to Section 409A of the Code as deferred compensation and (ii) equity-based compensation not subject to Section 409A of the Code), whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in your receipt on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code.

Unless you and the Company otherwise agree in writing, the determination of your excise tax liability and the amount required to be paid under this Section shall be made in writing by an accounting firm to be selected by reasonable agreement between you and the Company, whose determination shall be conclusive and binding upon you and the Company for all purposes. For purposes of making the calculations required by this Section, the accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Section 280G and 4999 of the Code. You and the Company shall furnish to the accountants such information and documents as the accountants may reasonably request in order to make a determination under this Section. The Company shall bear all costs the accountants may reasonably incur in connection with any calculations contemplated by this Section.

6. **Other Agreements.** This Attachment A sets forth the terms of the benefits you are eligible to receive in the event your employment with the Company is terminated in the manner described herein and supersedes any prior representations or agreements, whether written or oral. In the event of a conflict between the terms of this Attachment A and any other agreement you have entered into with the Company (including the cover letter to this Attachment A), the terms of this Attachment A shall apply. Notwithstanding the foregoing, in the event of a conflict between the terms of this Attachment A and the documents reflecting your Option, the terms of the equity documentation shall govern. The definitions, terms and conditions contained in this Attachment A may not be modified or amended except by a written agreement, signed by an authorized representative at the direction of the Board of Directors of the Company and by you.

7. **Change of Control Vesting Acceleration and Severance.** In the event of a Change of Control of the Company (other than an Excluded Change of Control), the Option shall vest with respect to 50% of any then unvested shares subject to the Option as of immediately prior to the closing of such Change of Control, provided you are still providing services to the Company at such time. In addition, if following a Change of Control you are subject to a Separation without Cause or a Constructive Termination within twelve months following such Change of Control, then the Option shall vest in full; for avoidance of doubt, a Change of Control under this sentence shall include an Excluded Change of Control. The additional vesting of the Option contemplated by the preceding sentence shall be effective on the effective date of the Release referenced in Section 1 required as a condition to Separation Compensation.

ATTACHMENT B

FORM OF
RELEASE AGREEMENT

This Release Agreement (this "Agreement") is dated as of _____ __, 202_ by and between Alumis Inc. (the "Company") and _____ ("Executive;" or "You" and together with the Company, the "Parties").

WHEREAS, the Company and Executive entered into an offer letter, dated _____ __, 2021 (the "Offer Letter");

WHEREAS, the Company and Executive now desire to terminate the Employee's employment as of _____ __, 202_ (the "Termination Date"); and

WHEREAS, this Agreement confirms the agreement between You and the Company regarding the termination of Your employment with the Company.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the Parties hereby agree as follows:

1. Resignation. You hereby resign as [INSERT TITLE] of the Company effective as of the Termination Date. You and the Company agree that Your termination is a Separation without Cause or a Constructive Termination (as such terms are defined in Attachment A to the Offer Letter).

2. Final Pay. On the Termination Date, the Company will pay You $_____, less all applicable withholdings. This amount represents all of Your salary earned through the Termination Date and all of Your accrued but unused vacation time or PTO. You acknowledge that, prior to the execution of this Agreement, and other than as set forth in Attachment A to Your Offer Letter, You are not entitled to receive any additional money from the Company, and that the only payments that You are entitled to receive from the Company in the future are those specified in this Agreement and Attachment A.

3. Separation Compensation. Pursuant to the terms of the Offer Letter, if You timely sign this Agreement and this Agreement becomes effective in accordance with Section 9 below, the Company will provide You with the Separation Compensation as defined and described in Attachment A to the Offer Letter within ten (10) days of the Effective Date (as defined below).

4. Benefits. Except as provided in Attachment A to Your Offer Letter, Your participation in all employee benefits plans and programs will end on the Termination Date. Under separate cover, You will receive information about Your rights, if any, to continue Your group health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA") after the Termination Date, including as provided in Attachment A. In order to continue Your coverage, You must file the required election form.

5. Company Shares. On or about _____, the Company issued You a stock option to purchase _____ shares of its common stock pursuant to the stock option agreement, dated [INSERT DATE] (the "Stock Option Agreement"). Currently, you are vested in _____ option shares subject to the Stock Option Agreement (the "Vested Option Shares"). Pursuant to Attachment A of Your Offer Letter and if this Agreement become effective in accordance with Section 9 below, you will vest in an additional _____ option shares subject to the Stock Option Agreement (the "Additional Vested Option Shares"). Except as otherwise provided in this Section 5, the Vested Option Shares and Additional Vested Option Shares remain subject to the Stock Option Agreement and stock option plan. You acknowledge and agree that other than the Vested Option Shares and Additional Vested Option Shares, You have no further rights to the Company's capital stock, or any rights to receive or vest in any additional shares of the Company capital stock.

6. Release of All Claims.

(a) Executive Release. In consideration for the Separation Compensation set forth in Section 3 (above) and other benefits provided to You in this Agreement, to the fullest extent permitted by law, You waive, release and promise never to assert any claims or causes of action, whether or not now known, against the Company or its predecessors, successors or past or present subsidiaries, stockholders, directors, officers, employees, consultants, attorneys, agents, assigns, employee benefit plans, and each of their respective indirect and direct affiliates, stockholders, directors, officers, managers, members, employees, consultants, attorneys, agents and assigns with respect to any matter, including (without limitation) any matter related to Your employment with the Company, the termination of that employment, or Your ownership of the Company's capital stock, right to purchase or the actual purchase or receipt of shares of the Company's capital stock, including (without limitation) claims to attorneys' fees or costs, claims of wrongful discharge, constructive discharge, emotional distress, defamation, invasion of privacy, fraud, breach of contract or breach of the covenant of good faith and fair dealing and any claims of discrimination or harassment based on sex, age, race, national origin, disability or any other basis under Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, the California Fair Pay Act, the Equal Pay Act, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the National Labor Relations Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Workers Adjustment and Retraining Notification ("WARN") Act, the Families First Coronavirus Response Act, the CARES Act, the California WARN Act, and all other laws and regulations relating to employment. However, this release covers only those claims that arose prior to the execution of this Agreement and only those claims that may be waived by applicable law. Execution of this Agreement does not bar any claim that arises hereafter, including (without limitation) a claim for breach of this Agreement and does not bar any claim by Executive for indemnification by the Company for claims, losses or costs arising from or related to his service as an officer and director of the Company.

(b) Waiver. You expressly waive and release any and all rights and benefits under Section 1542 of the California Civil Code (or any analogous law of any other state), which reads as follows:

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

7. Exceptions. Nothing contained in this Agreement limits Your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). You further understand that this Agreement does not limit Your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit Your right to receive an award for information provided to any Government Agencies. However, You understand and agree that You shall not be entitled to, and shall not seek nor permit anyone to seek on Your behalf, any personal, equitable or monetary relief for any claims or causes of action released by You in this Agreement, to the fullest extent permitted by law.

8. No Admission. Nothing contained in this Agreement will constitute or be treated as an admission by You or the Company of liability, any wrongdoing or any violation of law.

9. Consideration and Revocation Period. You acknowledge that You have hereby been advised in writing to consult with an attorney of Your choice prior to signing this Agreement, and that You had at least twenty-one (21) days to consider this Agreement before signing it. You acknowledge that if this Agreement is signed before twenty-one (21) days have elapsed from the date of delivery, by signing this Agreement You have expressly waived the twenty-one (21)-day consideration period. You acknowledge that You may revoke this Agreement within seven (7) days following its execution, and the Agreement shall not become effective until the revocation period has expired. If You do not revoke this Agreement, the eighth day after the date You sign the Agreement will be the "Effective Date."

10. Section 409A. Any amount paid under this Agreement is intended to satisfy the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition before actual payment to Executive under Section 409A. For purposes of this Agreement, each of the salary continuation payments provided for in Section 3(a) to be made to You under this Agreement is designated as a separate payment under Section 409A.

11. Opportunity to Seek Counsel. Executive acknowledges by signing this Agreement that he/she has read and understands this document, that he/she has conferred with or had the opportunity to confer with an attorney of his choice regarding the terms and meaning of this Agreement, that he/she has had sufficient time to consider the terms provided for in this Agreement, that no representations or inducements have been made to his/her as set forth herein, and that he/she has signed the same knowingly and voluntarily.

12. Confidentiality. You agree that You will not disclose to others the existence or terms of this Agreement, except that You may disclose such information to your spouse, attorney or tax adviser if such individuals agree that they will not disclose to others the existence or terms of this Agreement.

13. Company Property. You represent that You will return to the Company all property that belongs to the Company, including (without limitation) copies of documents that belong to the Company and files stored on your computer(s) that contain information belonging to the Company on or before the Termination Date.

14. Mutual Non-Disparagement/Public Statements. You agree that You will never make any negative or disparaging statements (orally or in writing) about the Company or its predecessors, successors or past or present subsidiaries, stockholders, directors, officers, employees, consultants, attorneys, agents, assigns, employee benefit plans, and each of their respective affiliates, stockholders, directors, officers, managers, members, employees, consultants, attorneys, agents and assigns, except as required by law. The Company shall direct its officers and directors to not make any negative or disparaging statements (orally or in writing) about You. You agree to cooperate with the Company and its public relations firm on all external and internal communications regarding your termination. You agree that You will not provide any interviews or statements relating to your termination or otherwise to the Company without obtaining Board approval prior to providing any such interviews or statements.

15. Assignment. This Agreement will be binding upon and inure to the benefit of (a) the heirs, executors and legal representatives of Executive upon Executive's death and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. None of the rights of Executive to receive any form of compensation payable pursuant to this Agreement may be assigned or transferred except by will or the laws of descent and distribution. Any other attempted assignment, transfer, conveyance or other disposition of Executive's right to compensation or other benefits will be null and void.

16. Notices. All notices, requests, demands and other communications called for hereunder will be in writing and will be deemed given (a) on the date of delivery if delivered personally, (b) one (1) day after being sent by a well-established commercial overnight service, or (c) four (4) days after being mailed by registered or certified mail, return receipt requested, prepaid and addressed to the Parties or their successors at the following addresses, or at such other addresses as the Parties may later designate in writing:

If to the Company:
Alumis Inc.
Attn: Chair of the Board of Directors

If to Executive: Last address on file with the Company.

17. Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement will continue in full force and effect without said provision. In the event that a court of competent jurisdiction shall determine that any provision of this Agreement or the application thereof is unenforceable in whole or in part because of the duration or scope thereof, the Parties hereto agree that said court in making such determination shall have the power to reduce the duration and scope of such provision to the extent necessary to make it enforceable, and that the Agreement in its reduced form shall be valid and enforceable to the full extent permitted by law.

18. Other Agreements. At all times in the future, You will remain bound by the Proprietary Information and Inventions Agreement (the "PIIA") with the Company that You signed on or about _____, __, 2021, a copy of which is attached as Exhibit I. This Agreement, which incorporates the PIIA, represents the entire agreement and understanding between the Parties as to the subject matter herein and supersedes all prior or contemporaneous agreements whether written or oral, including, without limitation, the Offer Letter and the Dispute Resolution/Arbitration Agreement, dated _____ __, 2021. This Agreement may be modified only in a written document signed by Executive and a duly authorized officer of the Company.

19. Governing Law/Jurisdiction. The terms of this Agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this Agreement or arising out of, related to, or in any way connected with, this Agreement, Your employment with the Company or any other relationship between You and the Company (the "Disputes") will be governed by California law, excluding laws relating to conflicts or choice of law. Executive and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in San Francisco, California in connection with any Dispute or any claim related to any Dispute.

20. Waiver of Breach. The waiver of a breach of any term or provision of this Agreement, which must be in writing, will not operate as or be construed to be a waiver of any other previous or subsequent breach of this Agreement.

21. Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

22. Tax Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable taxes.

23. Counterparts. This Agreement may be executed in counterparts, and each counterpart will have the same force and effect as an original and will constitute an effective, binding agreement on the part of each of the undersigned. Execution of a facsimile copy will have the same force and effect as execution of an original, and a facsimile signature will be deemed an original and valid signature.

[Signature Page to Follow]

IN WITNESS WHEREOF, each of the Parties has executed this Agreement, in the case of the Company by their duly authorized officers, as of the day and year first above written.

ALUMIS INC.:

Date: _____

By: _____
Name: _____
Title: _____

I agree to the terms of this Agreement, and I am voluntarily signing this release of all claims. I acknowledge that I have read and understand this Agreement, and I understand that I cannot pursue any of the claims and rights that I have waived in this Agreement at any time in the future.

EXECUTIVE:

Date: _____

_____
Name:

EXHIBIT I

PIIA

Exhibit 10.21

Certain information has been excluded from this agreement (indicated by "[***]") because such information is both not material and the type that the registrant customarily and actually treats as private or confidential.

Alumis Inc.

alumis.com

June 24, 2022

Jörn Drappa (via email)

Re: Offer of Employment

Dear Jörn:

We are pleased to present this contingent offer of employment for the position of Chief Medical Officer of Alumis Inc. (the "Company"). Out of an abundance of caution and to safeguard both the integrity of your work for the Company and the rights of Ventyx Biosciences, Inc. ("Ventyx"), where you served as Chief Medical Officer from September 21, 2021 until May 17, 2022, this offer of employment is fully contingent on the following having occurred prior to your start date, which date will be subject to the further mutual agreement of you and the Company (the "Start Date"):

1. The Company having satisfied itself, through discussions with you and/or by other means, that you do not currently possess any Ventyx confidential information in electronic or hard copy format; and

2. Ventyx's public release of its Phase 1 data for the TYK2 inhibitor program VTX958; and

3. The Company's final verification of your references and any information you provide to the Company prior to the Start Date.

This is a full-time, exempt position, carrying considerable responsibility and is integral to the development and success of the business. We are excited about your interest in joining the Company full-time. This letter agreement formally presents the specifics of our contingent offer for your consideration:

Title:	Chief Medical Officer
Base Pay:	$440,000.00 per year
Status:	Regular, Full-Time Employee, Exempt
Reports to:	Martin Babler, Chief Executive Officer
Start Date:	To be determined by mutual agreement
Location:	South San Francisco and remote

Scope and Location of Work

You will report directly to Martin Babler, the Company's CEO. In this role you will work: (a) Tuesday through Thursday every other week; and (b) at such other times as required by business needs or as requested by the Chief Executive Officer at the Company's facility located in South San Francisco, California, and at all other times remotely from your home in or around [***].

In order to facilitate your work schedule in South San Francisco, the Company will reimburse you for up to two round-trip flights per month (Economy Plus or equivalent fare) between San Diego and San Francisco, and for accommodations up to $250 per night while you are working at the Company's facility.

Subject to your right to receive severance upon a Constructive Termination (as defined herein), the Company may change your position, duties, and work location or reporting structure from time to time at its discretion.

Professional Contribution

You agree that you will, at all times and to the best of your abilities, loyally and conscientiously perform all of the duties and obligations required of you pursuant to the express and implicit tern's of this letter, and to the reasonable satisfaction of the Company. You further agree that during your term of employment, you will devote all of your business time and attention to the business of the Company and that the Company will be entitled to all of the benefits and profits arising from or incidental to all your work, services and advice. You agree that you will not provide commercial or professional services of any nature to any other person or organization, whether or not for compensation, without the prior written consent of the Board of Directors of the Company. You further agree that during your employment with the Company, you will not directly or indirectly engage or participate in any business that is competitive, in any manner, with the business of the Company. Notwithstanding the foregoing, you may serve on corporate boards or committees, civic, charitable or other non-profit boards, committees or organizations, deliver lectures or fulfill speaking engagements; provided, however, that (i) such activities do not individually or in the aggregate materially interfere with the performance of your duties under this letter agreement and (ii) you notify and receive prior written consent from the Board of Directors. The Company and its Board of Directors acknowledge and agree to your upcoming appointment to the Board of Directors of Alpine Immune Sciences Inc. You further agree to comply with the Company's written policies and rules, as they may be in effect from time to time during your employment.

At-Will Employment Status

Your employment with the Company is "at-will" and will continue only so long as continued employment is mutually agreeable to you and the Company. While we are extending this offer with the hope you will stay and enhance your career with us, either you or the Company may terminate the employment relationship (and the Company may modify the terms of your employment) at any time, for any reason, with or without notice or cause, subject to the provisions of Attachment A which are incorporated herein.

Compensation

1. Base Salary. You will be paid a base salary of $440,000.00 per year. Your Base Salary will be payable pursuant to the Company's regular payroll policy.

2. Bonus. You will be eligible for a discretionary cash bonus targeted at 35% of your base salary, payable in accordance with this paragraph. Payment of the discretionary bonus will be at the discretion of the Board and subject to many variables, especially the success of the Company and your contribution towards that success. Target bonuses are currently paid on a fiscal (calendar) year schedule in Q1 of each year for the prior year, and are prorated for partial year service for those employees whose employment begins between January 1 and September 30. Employees who begin employment during the fourth calendar quarter of the year will not be entitled to any prorated bonus for that year. You must be an employee of the Company through the payment date in order to be eligible to receive your bonus.

3. Equity. Subject to approval of the Board at its next regularly scheduled meeting following your hire date, you will be granted options to purchase a total of 1,200,000 shares of the Company's Common Stock, which grant shall consist of two separate option grants:

   (a) An option to purchase 800,000 shares of the Company's Common Stock that will vest over a 4-year period (your "4-Year Option"). Your 4-Year Option shall vest based solely on continued service provided to the Company and shall vest over a 4-year period with one-quarter of your 4-Year Option vesting on the one-year anniversary of your Start Date with the Company, and the balance vesting in equal monthly installments over the three years thereafter (i.e., 1/48ths per month).

   (b) A long-term incentive option to purchase 400,000 shares of the Company's Common Stock that will vest over a 6-year period (your "6-Year Option"; your 4-Year Option and your 6-Year Option shall be collectively referred to as your "Options"). Your 6-Year Option shall vest based solely on continued service provided to the Company and shall vest over a 6-year period with one-third of your 6-Year Options vesting on the 2nd annual anniversary of your Start Date with the Company, and the balance vesting in equal monthly installments over the four years thereafter (i.e., 1/72ths per month).

   The exercise price of the Options will be consistent with the Company's then-current 409A valuation. In addition, the Options will be eligible for the vesting acceleration described in Section 2 and in Section 7 of Attachment A. The Options will be "early-exercisable", such that you will be eligible to exercise shares subject to the Option prior to their vesting, and the Options will be exercisable until the earlier of (x) the expiration of the Options' 10-year term or (y) unless the Options are assumed by the acquiring company, upon the effective date of a Change of Control. The Options will be an ISO to the extent statutorily permissible. The Options will be subject to the Company's stock plan and the Company's standard form of stock option agreement (with appropriate modifications to reflect the terms referenced above).

4. Salary. Your Base Salary will be reviewed annually as part of the Company's normal salary review process, for increase (but not decease other than as part of an across-the-board cost-cutting measure).

5. Expenses. The Company will reimburse you for reasonable travel, entertainment or other expenses incurred by you in furtherance or in connection with the performance of your duties hereunder.

Employee Benefits

You will be eligible to participate in Company-sponsored benefits, as in place from time to time. Availability, terms and the associated eligibility requirements of the Company's benefit programs are subject to change by the Company from time to time, with or without notice.

Proprietary Information and Inventions Agreement

Your acceptance of this offer and commencement of employment with the Company is additionally contingent upon the execution, and delivery to an officer of the Company, of the Company's Proprietary Information and Inventions Agreement (the "PIIA"), prior to or on your Start Date.

Vaccination Policy

Your acceptance of this offer and commencement of employment with the Company is contingent upon you providing proof that you have received all current CDC-recommended doses of an EUA or FDA-approved vaccine against COVID-19.

Prior Employment Agreements/Confidentiality Obligations

Prior to accepting this offer, you must disclose in writing to the undersigned the existence of any employment agreement, confidentiality, non-solicitation or similar agreement(s) with a current or former employer that in any way could be binding on you during the time in which you are fulfilling your duties and responsibilities for the Company including but not limited to any such agreement with Ventyx. As a condition of your employment, while performing your duties for the Company, you shall adhere strictly to the terms of any continuing contractual or statutory obligations you have to Ventyx and to any other prior employer.

Employee Policies

You will be subject to the Company's employee policies as established by Company management and the Board from time to time. The provisions of this offer letter and all other documents referenced herein constitute the full and complete terms of your employment and supersede any prior representations or agreements by anyone, either oral or written. These terms of employment are not subject to change or modification of any kind, unless specified in writing, and signed by you and the Company's CEO or a member of the Board, as applicable.

Tax Matters

All forms of compensation referred to in this offer letter are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law. You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board related to tax liabilities arising from your compensation.

Company Successors

This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. Any such successor will within a reasonable period of becoming the successor assume in writing and be bound by all of the Company's obligations under this Agreement. For all purposes under this Agreement, the term "Company" shall include Alumis Inc. as well as any successor entity and to any successor to the Company's business or assets that becomes bound by this Agreement.

Acceptance of Employment

This offer of employment is additionally contingent upon your completion, execution, and our receipt of all employment documents listed in this letter on or before your Start Date (see below).

Once you have had an opportunity to consider this offer letter, please indicate your agreement with these terms and conditions of employment by providing a signed copy of your offer back to the Company's CEO.

We must receive the following documents from you before your Start Date (the first two forms will be provided to you upon acceptance of this letter agreement). In addition, we must receive acceptable proof of identification and authorization to work in the United States (part of the I-9 form listed below).

1. Signed Proprietary Information and Inventions Agreement
2. Completed I-9 Form and documentation (to be uploaded to BambooHR with paperwork)
3. Proof of COVID-19 vaccination (to be uploaded to BambooHR with paperwork)

This offer expires within ten (10) calendar days of the date of this letter unless the Company receives a signed copy within that period.

We are delighted to be able to extend this contingent offer of employment to you and sincerely feel the Company can provide you with the opportunity to achieve rewarding results for both you and the Company. Please contact me with any questions. We look forward to working with you.

Sincerely,

/s/ Martin Babler */s/ SK*

Martin Babler, President

I have read and understood this offer letter and hereby acknowledge, accept and agree to the terms as set forth above and attached and further acknowledge that no other commitments were made to me as part of my employment offer except as specifically set forth herein.

/s/ Jörn Drappa

Jörn Drappa

Date: 25-Jun-2022 | 9:58 AM PDT

ATTACHMENT A

Definitions, Terms and Conditions

1. Termination of Employment.

a. At-Will Employment. Your employment with the Company is at-will, meaning either you or the Company can terminate your employment at any time, with or without cause, and with or without notice. Neither you nor the Company can change the "at will" nature of your employment, unless the CEO or the Board of the Company and you sign a written contract that explicitly changes your status as an "at will" employee.

b. Payment & Benefits Upon Termination. Your entitlement to payment and benefits upon termination is as follows:

(i) Termination Without "Cause" or "Constructive Termination". If your employment is terminated involuntarily without Cause (as defined in Section 3(a), below) or in the event of your "Constructive Termination" (as defined in Section 3(c) below) and you are subject to a "Separation" under Section 409A (as defined in Section 4 below):

(A) you will receive payment for any earned and unpaid salary as of the date of your termination of employment; and,

(B) in the event you execute and do not revoke the general release of claims ("Release"), in the form attached hereto as Attachment B, you will be offered the Separation Compensation (as defined in Section 2, below). Subject to the terms of Section 7 below, You will not be entitled to or offered any form of additional severance pay or benefits other than the Separation Compensation (e.g., you will not be entitled to pay or benefits under any employee severance plan that is generally applicable to employees).

(ii) Voluntary Termination. If you voluntarily terminate your employment, or give notice that you will voluntarily terminate your employment at a future date (and whether or not the Company accelerates the effective date of your resignation date that you provide to an earlier termination date), you will receive payment(s) for all earned and unpaid salary. You will not be entitled to the Separation Compensation, or any other form of severance pay or benefits.

(iii) Termination for Cause. If your employment is terminated for Cause, you will receive payment(s) for all earned and unpaid salary as of your termination. You will not be entitled to the Separation Compensation, or any other form of severance pay or benefits.

2. Separation Compensation. If you are entitled to Separation Compensation under Section 1 above, your "Separation Compensation" will include each of the following, as well as the applicable vesting acceleration terms described in Section 7:

a. Salary Continuance. You will be offered pay equal to nine months of your regular base salary subject to applicable payroll deductions and withholdings ("Salary Continuance").

Your first salary continuance payment equal to one (1) month of your regular base salary shall commence on the thirtieth (30th) day following your termination of employment (unless a longer period is required by law to make the Release effective, in which case the first Salary Continuance payment shall be made on the sixtieth (60th) day following your termination of employment) provided the Release is effective at such time, and the remainder shall be paid in monthly installments beginning on the 1st day of the second month following your termination of employment, and on the 1st day of each month thereafter, until the total payment obligation is fulfilled. If the 60-day consideration and revocation period spans two calendar years, then the monthly installments will commence, if applicable, on the first payroll date in the second calendar year following expiration of the applicable revocation period.

b. **Acceleration of Vesting**. Subject to the terms of your applicable equity grant agreements, the vesting applicable to any equity grants made by the Company to you shall accelerate as to that number of shares underlying such equity grant or grants that would have vested on the first anniversary of the date your employment terminates, such acceleration effective immediately prior to such termination.

c. **Other Benefits**. The Company will reimburse you for your expenses in continuing medical insurance benefits for you and your family (meaning medical, dental, optical, and mental health, but not life, insurance) under the Company's then-existing benefit plans (or otherwise in obtaining coverage substantially comparable to the coverage provided to you prior to the termination) over the period beginning on the date your employment terminates and ending on the earlier of (a) your period of Salary Continuance as provided above, or (b) the date you commence employment with another entity.

3. Definitions.

a. **Cause**. For the purposes of this letter agreement, "Cause" means your "Separation" by the Company for any of the following reasons: (i) your willful or gross neglect and material failure to perform your duties and responsibilities to the Company, including but not limited to a failure to cooperate with the Company in any investigation or formal proceeding; (ii) your commission of any act of fraud, embezzlement, dishonesty or any other intentional misconduct in connection with your responsibilities as an employee that is materially injurious to the Company; (iii) the unauthorized use or disclosure by you of any proprietary information or trade secrets of the Company or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company; (iv) you are convicted of, or enter a no contest plea to, a felony; or (v) your breach of any of your material obligations under any Company policy, written agreement or covenant with the Company (including this letter agreement). A termination of employment under subparts (i), (iii) and (v) shall not be deemed cause unless you have first been given specific written notice of subpart and facts relied upon and thirty days to cure. The determination as to whether you are being terminated for Cause, and whether you have cured any such actions or inactions during any thirty day cure period with respect to subparts (i), (iii) and (v) and with respect to subpart (v) whether such breach is capable of being cured, shall be made in good faith by the Board of Directors. The foregoing definition does not in any way limit the Company's ability to terminate your employment at any time as provided in Section 1(a) above.

b. **Change of Control**. For purposes of this letter agreement, "Change of Control" of the Company is defined as: (i) the date any non-affiliated "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes, subsequent to the date hereof, the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities, other than pursuant to a sale by the Company of its securities in a transaction or series of related transactions the primary purpose of which is to raise capital for the Company; (ii) the date of the consummation of a merger or consolidation of the Company with any other corporation that has been approved by the stockholders of the Company, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (iii) the date of the consummation of the sale or disposition by the Company of all or substantially all the Company's assets.

c. **Constructive Termination**. For the purposes of this letter agreement, "Constructive Termination" means your Separation as the result of resignation for any of the following, except as otherwise agreed in writing by you: (i) a material reduction in your job duties, position and responsibilities, taken as a whole, other than in connection with an Excluded Change of Control; (ii) the Company requires you to relocate to a facility or location more than thirty-five (35) miles from the location from the primary location at which you were working for the Company immediately before the required change of location; (iii) any reduction of your base salary in effect immediately prior to such reduction (other than as part of an across-the-board, proportional reduction), or (iv) the Company materially breaches the terms of this Agreement. Notwithstanding anything else contained herein, in the event of the occurrence of a condition listed above you must provide notice to the Company within sixty (60) days of the occurrence of a condition listed above and allow the Company thirty (30) days after your delivery of notice to the Company in which to cure such condition. Additionally, in the event the Company fails to cure the condition within the cure period provided, you must terminate employment with the Company within ten (10) days of the end of the cure period.

d. **Excluded Change of Control**. For purposes of this letter agreement, an "Excluded Change of Control" shall mean (i) a Change of Control involving any transaction with Aclaris Therapeutics Inc. or (ii) a Change of Control with a Special Purpose Acquisition Company formed by, or affiliated with, Foresite Capital Management or its affiliated funds (a "Foresite SPAC") on or prior to September 15, 2023.

4. **Code Section 409A**. For purposes of this letter agreement, a "Separation" will be determined consistent with the rules relating to a "separation from service" as defined in Section 409A of the Code and the regulations thereunder ("Section 409A"). Notwithstanding anything else provided herein, to the extent any payments provided under this letter agreement in connection with your termination of employment constitute deferred compensation subject to Section 409A, and you are deemed at the time of such termination of employment to be a "specified employee" under Section 409A, then such payment shall not be made or commence until the earlier of (i) the expiration of the 6-month period measured from your Separation from the Company or (ii) the date of your death following such a Separation; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to you including, without limitation, the additional tax for which you would otherwise be liable under Section 409A(a)(1)(B) in the absence of such a deferral. The first payment thereof will include a catch-up payment covering the amount that would have otherwise been paid during the period between your termination of employment and the first payment date but for the application of this provision, and the balance of the installments (if any) will be payable in accordance with their original schedule. To the extent that any provision of this letter agreement is ambiguous as to its compliance with Section 409A, the provision will be read in such a manner so that all payments hereunder comply with Section 409A. To the extent any payment under this letter agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this section are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

5. **Code Section 280G**. In the event that the severance and any other benefits provided for in this letter agreement or otherwise payable to you (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then your benefits under this letter agreement shall be either:

a. delivered in full; or

b. delivered as to such lesser extent that would result in no portion of such benefits being subject to the Excise Tax, (with first a pro rata reduction of (i) cash payments subject to Section 409A of the Code as deferred compensation and (ii) cash payments not subject to Section 409A of the Code, and then a pro rata cancellation of (i) equity-based compensation subject to Section 409A of the Code as deferred compensation and (ii) equity-based compensation not subject to Section 409A of the Code), whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in your receipt on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code.

Unless you and the Company otherwise agree in writing, the determination of your excise tax liability and the amount required to be paid under this Section shall be made in writing by an accounting firm to be selected by reasonable agreement between you and the Company, whose determination shall be conclusive and binding upon you and the Company for all purposes. For purposes of making the calculations required by this Section, the accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Section 280G and 4999 of the Code. You and the Company shall furnish to the accountants such information and documents as the accountants may reasonably request in order to make a determination under this Section. The Company shall bear all costs the accountants may reasonably incur in connection with any calculations contemplated by this Section.

6. **Other Agreements**. This Attachment A sets forth the terms of the benefits you are eligible to receive in the event your employment with the Company is terminated in the manner described herein and supersedes any prior representations or agreements, whether written or oral. In the event of a conflict between the terms of this Attachment A and any other agreement you have entered into with the Company (including the cover letter to this Attachment A), the terms of this Attachment A shall apply. Notwithstanding the foregoing, in the event of a conflict between the terms of this Attachment A and the documents reflecting your Option, the terms of the equity documentation shall govern. The definitions, terms and conditions contained in this Attachment A may not be modified or amended except by a written agreement, signed by an authorized representative at the direction of the Board of Directors of the Company and by you.

7. **Change of Control Vesting Acceleration and Severance**. In the event of a Change of Control of the Company (other than an Excluded Change of Control), the Option shall vest with respect to 50% of any then unvested shares subject to the Option as of immediately prior to the closing of such Change of Control, provided you are still providing services to the Company at such time. In addition, if following a Change of Control you are subject to a Separation without Cause or a Constructive Termination within twelve months following such Change of Control, then the Option shall vest in full; for avoidance of doubt, a Change of Control under this sentence shall include an Excluded Change of Control. The additional vesting of the Option contemplated by the preceding sentence shall be effective on the effective date of the Release referenced in Section 1 required as a condition to Separation Compensation.

ATTACHMENT B

FORM OF
RELEASE AGREEMENT

This Release Agreement (this "Agreement") is dated as of _____ __, 202_ by and between Alumis Inc. (the "Company") and _____ ("Executive;" or "You" and together with the Company, the "Parties").

WHEREAS, the Company and Executive entered into an offer letter, dated _____ __, 2021 (the "Offer Letter");

WHEREAS, the Company and Executive now desire to terminate the Employee's employment as of _____ __, 202_ (the "Termination Date"); and

WHEREAS, this Agreement confirms the agreement between You and the Company regarding the termination of Your employment with the Company.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the Parties hereby agree as follows:

1. Resignation. You hereby resign as [INSERT TITLE] of the Company effective as of the Termination Date. You and the Company agree that Your termination is a Separation without Cause or a Constructive Termination (as such terms are defined in Attachment A to the Offer Letter).

2. Final Pay. On the Termination Date, the Company will pay You $_____, less all applicable withholdings. This amount represents all of Your salary earned through the Termination Date and all of Your accrued but unused vacation time or PTO. You acknowledge that, prior to the execution of this Agreement, and other than as set forth in Attachment A to Your Offer Letter, You are not entitled to receive any additional money from the Company, and that the only payments that You are entitled to receive from the Company in the future are those specified in this Agreement and Attachment A.

3. Separation Compensation. Pursuant to the terms of the Offer Letter, if You timely sign this Agreement and this Agreement becomes effective in accordance with Section 9 below, the Company will provide You with the Separation Compensation as defined and described in Attachment A to the Offer Letter within ten (10) days of the Effective Date (as defined below).

4. Benefits. Except as provided in Attachment A to Your Offer Letter, Your participation in all employee benefits plans and programs will end on the Termination Date. Under separate cover, You will receive information about Your rights, if any, to continue Your group health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA") after the Termination Date, including as provided in Attachment A. In order to continue Your coverage, You must file the required election form.

5. Company Shares. On or about _____, the Company issued You a stock option to purchase _____ shares of its common stock pursuant to the stock option agreement, dated [INSERT DATE] (the "Stock Option Agreement"). Currently, you are vested in _____ option shares subject to the Stock Option Agreement (the "Vested Option Shares"). Pursuant to Attachment A of Your Offer Letter and if this Agreement become effective in accordance with Section 9 below, you will vest in an additional _____ option shares subject to the Stock Option Agreement (the "Additional Vested Option Shares"). Except as otherwise provided in this Section 5, the Vested Option Shares and Additional Vested Option Shares remain subject to the Stock Option Agreement and stock option plan. You acknowledge and agree that other than the Vested Option Shares and Additional Vested Option Shares, You have no further rights to the Company's capital stock, or any rights to receive or vest in any additional shares of the Company capital stock.

6. Release of All Claims.

(a) Executive Release. In consideration for the Separation Compensation set forth in Section 3 (above) and other benefits provided to You in this Agreement, to the fullest extent permitted by law, You waive, release and promise never to assert any claims or causes of action, whether or not now known, against the Company or its predecessors, successors or past or present subsidiaries, stockholders, directors, officers, employees, consultants, attorneys, agents, assigns, employee benefit plans, and each of their respective indirect and direct affiliates, stockholders, directors, officers, managers, members, employees, consultants, attorneys, agents and assigns with respect to any matter, including (without limitation) any matter related to Your employment with the Company, the termination of that employment, or Your ownership of the Company's capital stock, right to purchase or the actual purchase or receipt of shares of the Company's capital stock, including (without limitation) claims to attorneys' fees or costs, claims of wrongful discharge, constructive discharge, emotional distress, defamation, invasion of privacy, fraud, breach of contract or breach of the covenant of good faith and fair dealing and any claims of discrimination or harassment based on sex, age, race, national origin, disability or any other basis under Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, the California Fair Pay Act, the Equal Pay Act, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the National Labor Relations Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Workers Adjustment and Retraining Notification ("WARN") Act, the Families First Coronavirus Response Act, the CARES Act, the California WARN Act, and all other laws and regulations relating to employment. However, this release covers only those claims that arose prior to the execution of this Agreement and only those claims that may be waived by applicable law. Execution of this Agreement does not bar any claim that arises hereafter, including (without limitation) a claim for breach of this Agreement and does not bar any claim by Executive for indemnification by the Company for claims, losses or costs arising from or related to his service as an officer and director of the Company.

(b) Waiver. You expressly waive and release any and all rights and benefits under Section 1542 of the California Civil Code (or any analogous law of any other state), which reads as follows:

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

7. Exceptions. Nothing contained in this Agreement limits Your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). You further understand that this Agreement does not limit Your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit Your right to receive an award for information provided to any Government Agencies. However, You understand and agree that You shall not be entitled to, and shall not seek nor permit anyone to seek on Your behalf, any personal, equitable or monetary relief for any claims or causes of action released by You in this Agreement, to the fullest extent permitted by law.

8. No Admission. Nothing contained in this Agreement will constitute or be treated as an admission by You or the Company of liability, any wrongdoing or any violation of law.

9. Consideration and Revocation Period. You acknowledge that You have hereby been advised in writing to consult with an attorney of Your choice prior to signing this Agreement, and that You had at least twenty-one (21) days to consider this Agreement before signing it. You acknowledge that if this Agreement is signed before twenty-one (21) days have elapsed from the date of delivery, by signing this Agreement You have expressly waived the twenty-one (21)-day consideration period. You acknowledge that You may revoke this Agreement within seven (7) days following its execution, and the Agreement shall not become effective until the revocation period has expired. If You do not revoke this Agreement, the eighth day after the date You sign the Agreement will be the "Effective Date."

10. Section 409A. Any amount paid under this Agreement is intended to satisfy the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition before actual payment to Executive under Section 409A. For purposes of this Agreement, each of the salary continuation payments provided for in Section 3(a) to be made to You under this Agreement is designated as a separate payment under Section 409A.

11. Opportunity to Seek Counsel. Executive acknowledges by signing this Agreement that he/she has read and understands this document, that he/she has conferred with or had the opportunity to confer with an attorney of his choice regarding the terms and meaning of this Agreement, that he/she has had sufficient time to consider the terms provided for in this Agreement, that no representations or inducements have been made to his/her as set forth herein, and that he/she has signed the same knowingly and voluntarily.

12. Confidentiality. You agree that You will not disclose to others the existence or terms of this Agreement, except that You may disclose such information to your spouse, attorney or tax adviser if such individuals agree that they will not disclose to others the existence or terms of this Agreement.

13. Company Property. You represent that You will return to the Company all property that belongs to the Company, including (without limitation) copies of documents that belong to the Company and files stored on your computer(s) that contain information belonging to the Company on or before the Termination Date.

14. Mutual Non-Disparagement/Public Statements. You agree that You will never make any negative or disparaging statements (orally or in writing) about the Company or its predecessors, successors or past or present subsidiaries, stockholders, directors, officers, employees, consultants, attorneys, agents, assigns, employee benefit plans, and each of their respective affiliates, stockholders, directors, officers, managers, members, employees, consultants, attorneys, agents and assigns, except as required by law. The Company shall direct its officers and directors to not make any negative or disparaging statements (orally or in writing) about You. You agree to cooperate with the Company and its public relations firm on all external and internal communications regarding your termination. You agree that You will not provide any interviews or statements relating to your termination or otherwise to the Company without obtaining Board approval prior to providing any such interviews or statements.

15. Assignment. This Agreement will be binding upon and inure to the benefit of (a) the heirs, executors and legal representatives of Executive upon Executive's death and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. None of the rights of Executive to receive any form of compensation payable pursuant to this Agreement may be assigned or transferred except by will or the laws of descent and distribution. Any other attempted assignment, transfer, conveyance or other disposition of Executive's right to compensation or other benefits will be null and void.

16. Notices. All notices, requests, demands and other communications called for hereunder will be in writing and will be deemed given (a) on the date of delivery if delivered personally, (b) one (1) day after being sent by a well-established commercial overnight service, or (c) four (4) days after being mailed by registered or certified mail, return receipt requested, prepaid and addressed to the Parties or their successors at the following addresses, or at such other addresses as the Parties may later designate in writing:

If to the Company:
Alumis Inc.
Attn: Chair of the Board of Directors

If to Executive: Last address on file with the Company.

17. Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement will continue in full force and effect without said provision. In the event that a court of competent jurisdiction shall determine that any provision of this Agreement or the application thereof is unenforceable in whole or in part because of the duration or scope thereof, the Parties hereto agree that said court in making such determination shall have the power to reduce the duration and scope of such provision to the extent necessary to make it enforceable, and that the Agreement in its reduced form shall be valid and enforceable to the full extent permitted by law.

18. Other Agreements. At all times in the future, You will remain bound by the Proprietary Information and Inventions Agreement (the "PIIA") with the Company that You signed on or about _____, __, 2021, a copy of which is attached as **Exhibit I**. This Agreement, which incorporates the PIIA, represents the entire agreement and understanding between the Parties as to the subject matter herein and supersedes all prior or contemporaneous agreements whether written or oral, including, without limitation, the Offer Letter and the Dispute Resolution/Arbitration Agreement, dated _____, __, 2021. This Agreement may be modified only in a written document signed by Executive and a duly authorized officer of the Company.

19. Governing Law/Jurisdiction. The terms of this Agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this Agreement or arising out of, related to, or in any way connected with, this Agreement, Your employment with the Company or any other relationship between You and the Company (the "Disputes") will be governed by California law, excluding laws relating to conflicts or choice of law. Executive and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in San Francisco, California in connection with any Dispute or any claim related to any Dispute.

20. Waiver of Breach. The waiver of a breach of any term or provision of this Agreement, which must be in writing, will not operate as or be construed to be a waiver of any other previous or subsequent breach of this Agreement.

21. Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

22. Tax Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable taxes.

23. Counterparts. This Agreement may be executed in counterparts, and each counterpart will have the same force and effect as an original and will constitute an effective, binding agreement on the part of each of the undersigned. Execution of a facsimile copy will have the same force and effect as execution of an original, and a facsimile signature will be deemed an original and valid signature.

[Signature Page to Follow]

IN WITNESS WHEREOF, each of the Parties has executed this Agreement, in the case of the Company by their duly authorized officers, as of the day and year first above written.

ALUMIS INC.:

Date: _____

By: _____
Name: _____
Title: _____

I agree to the terms of this Agreement, and I am voluntarily signing this release of all claims. I acknowledge that I have read and understand this Agreement, and I understand that I cannot pursue any of the claims and rights that I have waived in this Agreement at any time in the future.

EXECUTIVE:

Date: _____

_____
Name: _____

EXHIBIT I

PIIA

Exhibit 10.22

Certain information has been excluded from this agreement (indicated by [***]) because such information is both not material and the type that the registrant customarily and actually treats as private or confidential.

Execution Version
CONFIDENTIAL

STOCK PURCHASE AGREEMENT

dated as of March 5, 2021

by and among

FL2021-001, INC.,

AS PURCHASER,

FRONTHERA INTERNATIONAL GROUP LIMITED,

AS SELLER

AND

FRONTHERA U.S. HOLDINGS, INC.,

AS THE COMPANY

THIS STOCK PURCHASE AGREEMENT IS SUBJECT TO REVISION BY THE PARTIES AT ANY TIME AND MUST BE KEPT CONFIDENTIAL IN ACCORDANCE WITH THE TERMS OF THE CONFIDENTIALITY AGREEMENT ENTERED INTO AMONG THE PARTIES

TABLE OF CONTENTS

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is made and entered into as of March 5, 2021 by and among (i) FL2021-001, Inc., a Delaware corporation ("Purchaser"); (ii) FronThera International Group Limited, an exempted company incorporated in the Cayman Islands with limited liability ("Seller"); and (iii) FronThera U.S. Holdings, Inc., a Delaware corporation (the "Company"). Purchaser, Seller and the Company will be individually referred to herein as a "Party" and collectively referred to herein as the "Parties".

RECITALS

WHEREAS, Seller is the holder of all of the issued and outstanding shares of Company Capital Stock (the "Shares").

WHEREAS, upon the terms and subject to the conditions set forth in this Agreement, Seller desires to sell all of the Shares to Purchaser, and Purchaser desires to acquire all of the Shares, in exchange for the consideration set forth in this Agreement.

WHEREAS, immediately prior to the Closing, the Company and FronThera U.S. Pharmaceuticals LLC, a California limited liability company ("FronThera Pharmaceuticals") on the one hand, and Sichuan Haisco Pharmaceutical, Co., Ltd., a company incorporated under the laws of the People's Republic of China, and its Affiliates ("Haisco") on the other hand, shall enter into an Asset Transfer and Assumption Agreement in the form attached hereto as Exhibit F and FronThera Pharmaceuticals, on the one hand, and Haisco, Haisco Pharmaceutical Co., Limited ("BVI Haisco") and Haisco Pharmaceutical (Australia) Pty Ltd ("Australia Haisco"), on the other hand, have entered into a Confirmatory Assignment Agreement in the form attached hereto as Exhibit G.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants, promises and agreements hereinafter set forth, the mutual benefits to be gained by the performance thereof, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and accepted, the Parties to this Agreement, intending to be legally bound, hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Certain Definitions. As used in this Agreement, the following terms shall have the following respective meanings:

"Action" means any claim, action, suit, litigation, proceeding, arbitral action, mediation, governmental audit, enforcement, inquiry, examination, criminal prosecution or investigation.

"Affiliate" means, when used with respect to a specified Person, another Person that either directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the specified Person. For purposes of this definition, "control" means the possession, directly or indirectly, of the power to direct, or cause the direction of, the management and affairs of a Person, whether through the ownership of voting securities, by Contract or otherwise, and "controlled" and "controlling" shall have correlative meanings.

"Ancillary Documents" means the Escrow Agreement, the Asset Transfer and Assumption Agreement and the other agreements, certificates or other documents executed at or prior to the Closing in connection herewith.

"Asset and Liability Transfer" means each of the transactions involved in the transfer of the assets and liabilities of the Company to Haisco other than all rights to the Company Intellectual Property and Company Products pursuant to the Asset Transfer and Assumption Agreement.

"Asset Transfer and Assumption Agreement" means the Asset Transfer and Assumption Agreement, in the form attached hereto as Exhibit F to be executed by FronThera Pharmaceuticals and the Company, on the one hand, and Haisco, on the other hand, pursuant to which certain assets will be transferred by FronThera Pharmaceuticals to Haisco and certain liabilities will be assumed by Haisco.

"Base Initial Consideration" means Sixty Million Dollars ($60,000,000).

"Business" means the business and operations of the Company related to the research, development, manufacture, use, sale, offer for sale, importation or other exploitation of the Company Products.

"Business Day" means any day that is not a Saturday, Sunday or other day on which banks are required or authorized by Law to be closed in New York, New York or Los Angeles, California.

"CARES Act" means the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136), signed into law on March 27, 2020.

"Cash" means cash and Cash Equivalents determined in accordance with GAAP, using, to the extent consistent therewith, the policies, conventions, methodologies and procedures used by the Company in preparing its most recent unaudited Company Financial Statements. For the avoidance of doubt, (i) Cash shall be increased by the amount of deposits or other payments received by the Company but not yet credited to the bank accounts of the Company, and (ii) Cash shall be reduced by the amount of any outstanding obligations, checks or other payments issued or payable by the Company but not yet deducted from the bank accounts of the Company.

"Cash Equivalents" means investment securities with original maturities of ninety (90) days or less.

"Closing Cash" means the aggregate amount of all Cash of the Company as of 12:01 a.m. Pacific Time on the Closing Date. For the avoidance of doubt, any calculations of Closing Cash shall be made prior to, and disregarding, the Closing and the transactions contemplated in connection therewith except as specifically set forth herein.

"Closing Debt" means the aggregate amount of all Debt of the Company as of 12:01 a.m. Pacific Time on the Closing Date. For the avoidance of doubt, any calculations of Closing Debt shall be made prior to, and disregarding, the Closing and the transactions contemplated in connection therewith except as specifically set forth herein.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company Benefit Plan" means (i) each "employee benefit plan" as defined in Section 3(3) of ERISA, whether or not subject to ERISA, (ii) any compensation, employment, consulting, end of service or severance, termination protection, change in control, transaction bonus, retention or similar plan, agreement, arrangement, program or policy, or (iii) any other benefit or compensation plan, Contract, policy or arrangement providing for pension, retirement, profit-sharing, deferred compensation, stock option, equity or equity-linked compensation, stock purchase, employee stock ownership, tax gross-up, vacation, holiday pay or other paid time off, bonus or other incentive plans, medical, retiree medical, vision, dental or other health plans, life insurance plans, and other employee benefit plans, welfare plans or fringe benefit plans, in each case whether or not written, and (A) that is sponsored, maintained, administered, contributed to or entered into by the Company or any of its ERISA Affiliates, (B) under which any current or former director, officer, employee or individual independent contractor of the Company or any of its Subsidiaries is eligible to receive benefits or otherwise participate, or (C) for which the Company or any of its ERISA Affiliates has any direct or indirect Liability (whether actual or contingent).

"Company Capital Stock" means the Company Common Stock.

"Company Common Stock" means the common stock, with a par value of $1.00, of the Company.

"Company Controlled Intellectual Property" means all Company Intellectual Property that is owned or purported to be owned by or exclusively licensed to the Company.

"Company Fundamental Representations" means the representations and warranties of the Company contained in Section 4.1 (Corporate Status), Section 4.2 (Authority and Enforceability), Section 4.3 (No Conflict), Section 4.4 (Capitalization), Section 4.7 (Taxes), and Section 4.18 (Finder's Fees).

"Company Intellectual Property" means any and all Intellectual Property (i) in which the Company has right (including option or license rights), title, or interest or (ii) that is used or intended to be used by the Company, in each case, in connection with the Business, including the research, development, manufacture, use, sale, offer for sale, importation or other exploitation of the Company Products. Company Intellectual Property includes, without limitation, the patent and patent applications included in the TYK2 Portfolio (defined in Exhibit E), which are listed on Section 4.13(a) of the Company Disclosure Schedule.

"Company Key Representations" means the representations and warranties of the Company contained in Section 4.13 (Intellectual Property), Section 4.19 (Affiliate Transactions) and Section 4.21 (Regulatory Matters).

"Company Products" means, the TYK2 Compounds and any TYK2 Product being developed by or on behalf of the Company (as each term is defined in Exhibit E) as of the Closing Date.

"Company Systems" has the meaning set forth in Section 4.20(b).

"Confidentiality Agreement" means that certain Amended and Restated Nondisclosure Agreement, dated as of February 23, 2021, by and between the Company and Purchaser.

"Confirmatory Assignment Agreement" means the Confirmatory Assignment Agreement, in the form attached hereto as Exhibit G executed by FronThera Pharmaceuticals, on the one hand, and Haisco, BVI Haisco and Australia Haisco, on the other hand, pursuant to which Haisco, BVI Haisco and Australia Haisco confirmed the assignment to FronThera Pharmaceuticals of all rights Haisco has to any Company Intellectual Property and Company Products.

"Consideration" means (i) the Initial Consideration, plus (ii) the Contingent Consideration.

"Contingent Consideration" means the aggregate total of Milestone Payments due in accordance with Exhibit E.

"Contract" means any contract, agreement, indenture, note, bond, loan, instrument, lease, conditional sales contract, mortgage or other arrangement.

"Damages" means any liabilities, losses, damages, injury, Taxes, penalties, fines, deficiencies, assessments, judgments, costs or expenses (including reasonable attorneys' fees and expenses and costs of investigation).

"Debt" means both the current and long-term portions of any amount owed, without duplication, in respect of (i) borrowed money, extensions of credit, purchase money financing, and capitalized lease obligations or for the deferred purchase price of property or services, (ii) all obligations for the reimbursement of any obligor for amounts drawn on any outstanding letters of credit, (iii) all obligations evidenced by a note, bond, debenture or similar instrument, (iv) deferred compensation owed to current or former employees of the Company, and (v) all accrued and unpaid interest, fees, expenses, prepayment penalties or premiums on, or any guarantees or other contingent liabilities with respect to, any of the obligations referred to in the foregoing clauses (i) through (iv); *provided*, *however*, that notwithstanding the foregoing, Debt shall not be deemed to include any accounts payable incurred in the ordinary course of business or any obligations under un-drawn letters of credit. For the avoidance of doubt, "Debt" shall not include any future payment obligations under the Company's current research collaboration agreements.

"Deferred Payroll Taxes" means the "applicable employment taxes" (as defined in Section 2302(d) of the CARES Act) payable by the Company that (x) relate to the portion of the "payroll tax deferral period" (as defined in Section 2302(d) of the CARES Act) that occurs prior to the Closing and (y) are payable following the Closing as permitted by Section 2302(a) of the CARES Act.

"DGCL" means the General Corporation Law of the State of Delaware.

"Encumbrance" means any security interest, pledge, mortgage, lien, charge, restriction on transfer (such as a right of first refusal or other similar rights) or other similar encumbrance. For clarity, non-exclusive licenses granted in the ordinary course of business between the Company and a third-party service provider for use in performing services on behalf of the Company, which licenses are incidental to the primary purpose of the applicable agreement, are not Encumbrances.

"Environmental Law" means any applicable federal, state, or local Laws as in effect as of the date of this Agreement which regulate or relate to: pollution, the protection of the environment; the use, treatment, storage, transportation, handling, disposal or release of Hazardous Materials, or the protection of the health and safety of Persons from exposures to Hazardous Materials in the environment; or the preservation or protection of waterways, groundwater, drinking water, air, or soil.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means any employer that would be considered a single employer with the company under Sections 414(b), (c), (m), or (o) of the Code.

"Escrow Account" has the meaning set forth in Section 3.6.

"Escrow Agent" has the meaning set forth in Section 3.6.

"Escrow Agreement" has the meaning set forth in Section 3.6.

"Escrow Cash" means $5,500,000.

"Estimated Initial Consideration" means a dollar amount equal to (i) the Base Initial Consideration, plus (ii) the Estimated Closing Cash, minus (iii) the Estimated Closing Debt, minus (iv) the Estimated Unpaid Company Transaction Expenses, minus (v) the Escrow Cash.

"Exchange Act" means the U.S. Securities Exchange Act of 1934.

"FDA" means the U.S. Food and Drug Administration.

"Fraud" means actual common law fraud as defined under the Laws of the State of Delaware.

"GAAP" means generally accepted accounting principles in the United States.

"Governmental Authority" means any government, any quasi-governmental authority of any nature, any governmental entity, commission, board, agency or instrumentality, and any court, tribunal or judicial body, whether federal, state, county, local or foreign.

"Governmental Order" means any order, temporary restraining order, judgment, injunction or decree, enforcement action or consent decree, issued, promulgated or entered by any Governmental Authority.

"Hazardous Material" means any pollutant, chemical, substance and any toxic, infectious, carcinogenic, reactive, corrosive, ignitable or flammable chemical, or chemical compound, or hazardous substance, material or waste, whether solid, liquid or gas, that is prohibited or regulated under any Environmental Laws, including without limitation, asbestos, urea, formaldehyde, PCBs, radon gas, or petroleum products.

"Health Care Laws" means all applicable Laws, enforced or issued by a Governmental Authority (including multi-country organizations) related to (a) the safety, efficacy and quality of pharmaceuticals; (b) manufacturing, development, testing, labeling, marketing, packaging, holding, import, export, advertising or distribution of pharmaceuticals; (c) the hiring of employees or acquisition of services or supplies from those who have been excluded from government health care programs, and (d) privacy, security, or licensure, including, without limitation, as applicable: (i) the Federal Food, Drug, and Cosmetic Act (21 U.S.C. §§ 301 et seq.) and the regulations promulgated thereunder;; (ii) all applicable federal, state, local and all applicable foreign health care related fraud and abuse, false claims, and anti-kickback Laws, including, without limitation, the U.S. Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)), the U.S. Civil False Claims Act (31 U.S.C. § 3729 et seq.), the criminal False Statements Law (42 U.S.C. § 1320a-7b(a)), all criminal Laws relating to health care fraud and abuse, including but not limited to 18 U.S.C. §§ 286 and 287, and the health care fraud criminal provisions under the U.S. Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. § 1320d et seq.) as amended by the Health Information Technology for Economic and Clinical Health Act (42 U.S.C. § 17921 et seq.) (collectively, "HIPAA"), the exclusion Law (42 U.S.C. § 1320a-7), and the civil monetary penalties Law (42 U.S.C. § 1320a-7a); and (iii) HIPAA and analogous state Laws pertaining to privacy, data protection and information security, and the regulations promulgated pursuant to such statutes; in each case, as amended from time to time and including the implementing rules and regulations of Governmental Authorities promulgated pursuant to such Laws and all of their foreign equivalents.

"Initial Consideration" means a dollar amount equal to (i) the Base Initial Consideration, plus (ii) Closing Cash, minus (iii) Unpaid Company Transaction Expenses, minus (iv) Closing Debt, minus (v) the Escrow Cash.

"Intellectual Property" means all U.S. and foreign intellectual property and proprietary rights, including (i) patents provisional and non-provisional and applications therefor and all divisionals, reissues, renewals, registrations, confirmations, re-examinations, certificates of inventorship, extensions, supplementary protection certificates, continuations and continuations-in-part thereof ("Patents"), (ii) trademarks, trade dress, service marks, service names, trade names, domain names, brand names, logo or business symbols, whether registered or unregistered, and pending applications to register the same, including all extensions and renewals thereof and all goodwill associated therewith ("Trademarks"), (iii) copyrights and copyrightable works, including all writing, reports, analyses, evaluation protocols, designs, computer software, code, databases, software systems, mask works or other works, whether registered or unregistered, pending applications to register the same, and moral rights ("Copyrights"), (iv) confidential or proprietary know-how, trade secrets, methods, processes, practices, formulas and techniques ("Know-How"), (v) computer software, including all source code, object code, firmware, development tools, files, records and data, all media on which any of the foregoing is recorded, and all documentation related to any of the foregoing, and (vi) moral rights, rights of publicity, industrial designs, and industrial property rights.

"IRS" means the United States Internal Revenue Service.

"Knowledge of the Company" "Company's Knowledge" or "known to the Company" and any other phrases of similar import means, with respect to any matter in question relating to the Company, the actual knowledge of [***], and the knowledge such individuals would reasonably be expected to have had he made reasonable inquiry regarding the relevant matters.

"Law" means any federal, state, county, local, foreign or other statute, constitution, controlling principle of common law, ordinance, edict, decree, Governmental Order, regulation, rule, ruling or code of any Governmental Authority having the force of law.

"Liability" means any and all liabilities and obligations of any kind or nature, whether accrued or fixed, absolute or contingent, matured or unmatured, or determined or determinable.

"Loan Payoff Amount" means $19,417,220.75.

"Material Adverse Effect" means any change, event, circumstance, condition or effect that, individually or in the aggregate, is, or would reasonably be expected to be, materially adverse to (x) the Business, assets, liabilities, results of operations or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole, or (y) the ability of the Company to perform its obligations under this Agreement in accordance with Law or to consummate the transactions contemplated hereby; *provided*, *however*, that none of the following shall be deemed in themselves to constitute or be considered in determining a Material Adverse Effect: (i) conditions generally affecting the economy or industry in which the Company operates, (ii) any change in GAAP or applicable Laws (*provided*, that this clause (ii) shall not apply with respect to any representation or warranty the purpose of which is to address compliance with GAAP or applicable Law), (iii) any changes arising from or attributable or relating to the announcement or pendency of the transactions contemplated by this Agreement or the identity or involvement of the Purchaser and its Affiliates (including any impact on the customers, suppliers, vendors or employees of the Company), (iv) the taking of any action by the Company approved in writing by Purchaser or that are expressly permitted under the terms of this Agreement, (v) acts of war, hostilities or terrorism or any escalation or material worsening of any such acts of war, hostilities or terrorism, or the occurrence or escalation of any other natural disaster, calamity or crisis; and (vi) epidemics and pandemics (including in respect of COVID-19); *provided*, that with respect to (i), (ii), (v) and (vi) such changes do not materially and disproportionately adversely affect the Company in a manner that is materially disproportionate from similarly situated businesses engaged in the same industry as the Company.

"Organizational Documents" means, with respect to any entity, the certificate of incorporation, articles of incorporation, bylaws or equivalent governing documents of such entity.

"Permit" means any license, clearance, authorization, registration, approval, consent, certificate, variance, franchise, exemption or permit issued by any Governmental Authority to the Company, held by the Company, or required for the operation of the Company's Business.

"Permitted Encumbrances" means all (i) liens for Taxes and other governmental charges that are not yet due and payable or are being contested in good faith by appropriate proceedings and for which adequate reserve has been made in the Company Financial Statements; (ii) cashiers', landlords', workmen's, repairmen's, warehousemen's and carriers' liens and other similar liens imposed by Law, incurred in the ordinary course of business for sums not yet due and payable; (iii) pledges or deposits in connection with workers compensation, unemployment insurance and other social security legislation for sums not yet due and payable; (iv) Encumbrances listed in Schedule 1.1(p); and (v) other Encumbrances of any type incurred in the ordinary course of business which do not materially detract from the value of, or materially interfere with, the present use and enjoyment of the asset or property subject thereto or affected thereby.

"Person" means any individual, general or limited partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity.

"Personal Data" means all data or information that, individually or when aggregated or combined, is linked to any reasonably identifiable natural person and any other data protected under any applicable Laws relating to privacy, data security, or data protection with respect to data relating to individuals.

"Pre-Closing Taxes" means (A) all Taxes of the Company relating or attributable to any Pre-Closing Tax Period (including any Deferred Payroll Taxes), (B) all Taxes of any member of an affiliated, consolidated, combined or unitary group of which the Company is or was a member on or prior to the Closing Date, including pursuant to Treasury Regulations Section 1.1502-6 (or any analogous provision under state, local or non-U.S. Law), (C) any and all Taxes of any Person imposed on the Company as a transferee or successor, by contract (other than a contract entered into in the ordinary course of business the primary purpose of which is unrelated to Tax) or pursuant to any Law, rule, or regulation, which Taxes relate to an event or transaction occurring before the Closing, and (D) any Taxes resulting from the transactions contemplated by this Agreement (but excluding the Transfer Taxes allocated to Purchaser pursuant to Section 7.2(c)). In the case of any Straddle Tax Period, the amount of any Taxes based on or measured by income, sales, use, receipts, or other similar items of the Company for the Pre-Closing Tax Period shall be determined based on an interim closing of the books as of the close of business on the Closing Date (except that exceptions, allowances or deductions that are calculated on annual basis, such as depreciation, shall be apportioned on a pro rata basis), and the amount of any other Taxes of the Company for such a Tax period which relate to the Pre-Closing Tax Period shall be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the taxable period ending on the (and including) Closing Date and the denominator of which is the total number of days in such taxable period.

"Pre-Closing Tax Period" means any Tax period ending on or before the Closing Date and the portion of any Straddle Tax Period ending on (and including) the Closing Date.

"Public Official" means (i) any official, employee, agent or representative of, or any Person acting in an official capacity for or on behalf of, any Governmental Authority, (ii) any political party, political party official or candidate for political office, (iii) any official, employee, agent or representative of, or any Person acting in an official capacity for or on behalf of, a company, business, enterprise or other entity owned, in whole or in part, or controlled by any Governmental Authority or (iv) any official, employee, agent or representative of, or any Person acting in an official capacity for or on behalf of, a public international organization.

"Purchaser Indemnitees" means (i) Purchaser; (ii) Purchaser's Affiliates (including the Company); (iii) the respective representatives of the Persons referred to in clauses (i) and (ii); and (iv) the respective successors and permitted assigns of the Persons referred to in clauses (i), (ii) and (iii) above.

"Representatives" mean the officers, directors, employees, agents, attorneys, accountants, advisors and representatives of the specified Person.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, or any successor federal statute thereto and the rules and regulations of the SEC promulgated thereunder.

"Service Provider" means any current or former officer, employee, director or independent contractor of the Company.

"Standard Business Agreements" means (i) non-negotiated, non-exclusive licenses to off-the-shelf generally commercially available software with annual license fees under $25,000; (ii) employee or consulting agreements on the Company's standard forms therefor (which standard forms have been made available to Purchaser); (iii) nondisclosure agreements to the extent on customary forms therefor; (iv) material transfer agreements on the Company's standard forms therefor (which standard forms have been made available to Purchaser); and (v) purchase orders for goods and associated terms and conditions for which the underlying goods have been delivered or received.

"Straddle Tax Period" means any Tax period beginning before or on the Closing Date and ending after the Closing Date.

An entity shall be deemed to be a "Subsidiary" of another entity if such other entity directly or indirectly owns, beneficially or of record, (i) an amount of voting securities or other interests in such first entity that is sufficient to enable such other entity to elect at least a majority of the members of such first entity's board of directors or other governing body, or (ii) at least a majority of the outstanding equity interests of such first entity.

"Tax" or "Taxes" means (i) any and all taxes, fees, imposts, charges, excises, assessments, levies, tariffs, duties or other charges or impositions in the nature of a tax (together with any all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any Governmental Authority, including income, gross income, estimated, capital gains, gross receipts, profits, business, license, occupation, franchise, branch, windfall, termination, exit, capital stock or other equity, wealth, real or personal (tangible or intangible) property, real or personal property (tangible or intangible) gains, sales, use, transfer, conveyance, recording, documentary, filing, value added, ad valorem, employment or unemployment, social security (or similar including FICA), social, disability, alternative or add-on minimum, investment, financial transaction, escheat obligation customs, excise, stamp, environmental, commercial rent, premium or withholding taxes, and (ii) any liability for the payment of amounts described in clause "(i)" as a result of being or having been a member of any group of corporations that files, will file, or has filed Tax Returns on a combined, consolidated or unitary basis, as a result of any obligation under any agreement or arrangement (including any Tax allocation, Tax indemnity or Tax sharing agreement, but excluding customary gross up or indemnification provisions in credit agreements, derivatives, leases or other commercial agreements entered into in the ordinary course of business not primarily relating to Tax), as a result of being a transferee or successor, or otherwise by operation of Law.

"Tax Proceeding" means any inquiry, claim, assessment, audit, dispute, suit or other administrative or judicial proceeding involving Taxes.

"Tax Return" means any return, report, statement, declaration, schedule, designation, notice, certificate, questionnaire, form, election, estimated Tax filing, claim for refund, information return, or other document (including any attachments thereto and amendments thereof), in each case filed with or submitted to, or required to be filed with or submitted to, any Governmental Authority with respect to any Tax.

"Transfer Taxes" means any and all transfer, documentary, conveyance, sales, use, gross receipts, stamp, registration, filing, value added, recording, escrow and other similar Taxes and fees (including any penalties and interest and additions to tax), including any real property or leasehold interest transfer or gains Tax and any similar Tax.

"Unpaid Company Transaction Expenses" means (i) the fees and disbursements payable by the Company to those Persons identified in Section 4.18 of the Company Disclosure Schedule; (ii) the fees and disbursements payable to legal counsel or accountants of the Company that are payable by the Company in connection with the negotiation, preparation or execution of this Agreement or any documents or agreements contemplated hereby or the performance or consummation of the transactions contemplated hereby; (iii) any bonus, transaction, change of control, severance, incentive compensation, termination, retention or similar transaction-related payments to be paid to any Service Provider of the Company or any Subsidiary, as well as the employer portion of any payroll Taxes to be paid in connection therewith, including any such amounts that are contingent upon both consummation of the transactions contemplated hereby and the termination of employment (or the occurrence of other double-trigger events) occurring after the Closing, to the extent such Taxes are payable at or substantially contemporaneous with the Closing; (iv) any employer-portion of payroll Taxes relating to or resulting from the payment of any portion of the employee options that are payable at or substantially contemporaneous with the Closing; (v) all unpaid Taxes of the Company attributable to any Pre-Closing Tax Period, calculated in accordance with Section 7.2 and determined on a jurisdiction by jurisdiction basis (with the amount for each jurisdiction never being less than zero dollars ($0)); and (vi) all other miscellaneous fees, expenses or costs, in each case, incurred by the Company in connection with the transactions contemplated by this Agreement; *provided*, that in the case of the foregoing clauses (i) through (vi), only to the extent such amounts have not been paid by the Company prior to the Closing and for which the Company is and remains liable to pay following the Closing; *provided*, *further*, that the foregoing clauses (ii) and (iii) shall not include any fees, expenses or disbursements incurred by Purchaser, or by the Company which are on behalf of Purchaser, including any advisory fee and the fees and expenses of Purchaser's attorneys, accountants and other advisors; *provided*, *further*, for the avoidance of doubt, that any such amounts which are for the liability of the Seller, and not the Company, shall be excluded from Unpaid Company Transaction Expenses.

Section 1.2 Certain Additional Definitions. As used in this Agreement, the following terms shall have the respective meanings ascribed thereto in the respective sections of this Agreement set forth opposite each such term below:

Term	Section
Accounting Firm	Section 3.2(c)(iv)
Agreement	Preamble
Basket	Section 9.3(b)
Buying Party	Section 3.3(b)
Claim Certificate	Section 9.4(a)
Claim Dispute Notice	Section 9.4(b)
Closing	Section 2.2
Closing Date	Section 2.2
Closing Date Schedule	Section 3.2(b)
Company	Preamble
Seller Board Approval	Section 4.2(b)
Company Board of Directors	Section 4.2(a)
Company Certificates	Section 3.5
Company Disclosure Schedule	Article IV
Company Financial Statements	Section 4.5(a)
Company Material Contract(s)	Section 4.14(a)
Determination	Section 3.2(c)(iv)
Dispute Notice	Section 3.2(c)(ii)
Enforceability Exceptions	Section 4.2(a)
Estimated Closing Cash	Section 3.2(a)
Estimated Closing Debt	Section 3.2(a)
Estimated Unpaid Company Transaction Expenses	Section 3.2(a)
Excess Payment	Section 3.2(d)(ii)
Expiration Date	Section 9.1
FCPA	Section 4.22(a)
Indemnitee	Section 9.5
Indemnitor	Section 9.5
Invoice	Section 7.3
Lease	Section 4.15
Leased Real Property	Section 4.15
Liens	Section 4.11(e)
Major Suppliers	Section 4.23
Party and Parties	Preamble
Payoff Letter	Section 7.3
Proceeding	Section 4.11(a)
Purchaser	Preamble
Purchaser Prepared Returns	Section 7.2
Related Person	Section 4.19
Review Board	Section 4.21(g)
Review Period	Section 3.2(c)(ii)
Safety Notices	Section 4.21(h)
Shortfall Payment	Section 3.2(d)(i)
Third-Party Claim	Section 9.5
TYK2 Product Divestment	Section 3.3(b)

ARTICLE II
THE ACQUISITION

Section 2.1 Purchase and Sale of Stock. At the Closing (as defined in Section 2.2 below) and subject to and upon the terms and conditions of this Agreement, Purchaser shall purchase from Seller and Seller shall sell, convey, transfer, assign and deliver to Purchaser, free and clear of all Liens, encumbrances or other defects of title, good and valid title to all of the issued and outstanding Shares.

Section 2.2 Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at 9:00 a.m. (Pacific Time) and shall be conducted remotely via the electronic exchange of documents and signatures as soon as reasonably practicable, but no later than three (3) Business Days following/on this date of this Agreement subject to the satisfaction or waiver of all conditions set forth in Article VIII (other than those conditions that by their terms are to be satisfied at the Closing, but subject to their satisfaction at the Closing), or at such other time, date and place as the Parties may mutually agree in writing (such date hereinafter, the "Closing Date").

ARTICLE III
ACQUISITION CONSIDERATION; EXCHANGE OF COMPANY CERTIFICATE(S)

Section 3.1 Initial Consideration. At the Closing, Purchaser shall deposit by wire transfer of immediately available funds, (a) the Estimated Initial Consideration to a bank account designated in writing by Seller no later than one (1) Business Day prior to the Closing, and (b) the Loan Payoff Amount to a bank account set forth in the Payoff Letter delivered by Haisco Pharmaceutical Co., Ltd.

Section 3.2 Post-Closing Adjustment of Initial Consideration.

(a) Pre-Closing Estimate. At least two (2) Business Days prior to the Closing Date, the Company and Seller shall deliver to Purchaser, the Company's estimates, along with reasonable supporting detail thereof, of the Closing Debt (the "Estimated Closing Debt"), the Closing Cash (the "Estimated Closing Cash") and Unpaid Company Transaction Expenses (the "Estimated Unpaid Company Transaction Expenses"), such estimates to be prepared in good faith and in accordance with the policies, conventions, methodologies and procedures used by the Company in preparing its most recent unaudited Company Financial Statements. Based on such estimates and prior to Closing, Seller shall in good faith calculate estimates of such amounts to be used for purposes of determining the Estimated Initial Consideration for purposes of Closing.

(b) Calculation. As promptly as practicable, but in no event later than sixty (60) days following the Closing Date, Purchaser shall cause the Company to deliver to Seller a schedule (the "Closing Date Schedule"), along with reasonable supporting detail thereof, setting forth the Company's calculation of the Initial Consideration and setting forth in reasonable detail the Company's calculations of Closing Debt, Closing Cash and Unpaid Company Transaction Expenses, such calculations to be prepared in good faith and in accordance with the policies, conventions, methodologies and procedures used by the Company in preparing its most recent unaudited Company Financial Statements.

(c) Review; Disputes.

(i) From and after the delivery of the Closing Date Schedule, Purchaser shall cause the Company to provide Seller and any accountants or advisors retained by Seller with reasonable access (including electronic deliveries) to the books and records of the Company during normal business hours for the purposes of: (A) enabling Seller and its accountants and advisors to calculate, and to review the Company's calculation of, Closing Debt, Closing Cash and Unpaid Company Transaction Expenses; and (B) identifying any dispute related to the calculation of any of Closing Debt, Closing Cash and Unpaid Company Transaction Expenses in the Closing Date Schedule.

(ii) If Seller disputes the calculation of any of Closing Debt, Closing Cash, or Unpaid Company Transaction Expenses set forth in the Closing Date Schedule, then Seller shall deliver a written notice (a "Dispute Notice") to Purchaser at any time during the thirty (30) day period commencing upon receipt by Seller of the Closing Date Schedule (as prepared by the Company in accordance with the requirements of Section 3.2(b), the "Review Period"). The Dispute Notice shall set forth the basis and amount for each dispute of any such calculation in reasonable detail together with relating supporting documentation and calculations, as well as the alternative calculation with respect to each of the components of the Closing Date Schedule.

(iii) If Seller does not deliver a Dispute Notice to the Company prior to the expiration of the Review Period, Purchaser's calculation of Closing Debt, Closing Cash and Unpaid Company Transaction Expenses set forth in the Closing Date Schedule shall be deemed final and binding on Purchaser, the Company and Seller for all purposes of this Agreement.

(iv) If Seller delivers a Dispute Notice to Purchaser prior to the expiration of the Review Period, then Seller and Purchaser shall negotiate in good faith to reach agreement on Closing Debt, Closing Cash and Unpaid Company Transaction Expenses. Notwithstanding anything in this Agreement to the contrary (including in Section 10.10), if Seller and Purchaser are unable to reach agreement on Closing Debt, Closing Cash, and Unpaid Company Transaction Expenses within thirty (30) days after the end of the Review Period either Party shall have the right to refer such dispute to Ernst & Young LLP, or if Ernst & Young LLP declines to serve, such other nationally or regionally recognized independent accounting firm that is mutually agreed upon in writing by Purchaser and Seller, (such firm, or any successor thereto, being referred to herein as the "Accounting Firm") for resolution after such 30-day period, *provided*, that the Parties may mutually agree in writing to extend such period before the dispute is referred to the Accounting Firm. In connection with the resolution of any such dispute by the Accounting Firm: (A) each of Purchaser and Seller shall have a reasonable opportunity to meet with the Accounting Firm; (B) the Accounting Firm shall determine Closing Debt, Closing Cash and Unpaid Company Transaction Expenses in accordance with the terms of this Agreement (and, for the avoidance of doubt, such determination shall be made strictly in accordance with the policies, conventions, methodologies and procedures used by the Company in preparing its most recent unaudited Company Financial Statements) within thirty (30) days of such referral and upon reaching such determination shall deliver a copy of its calculations (the "Determination") to Seller and Purchaser; and (C) the Determination made by the Accounting Firm of Closing Debt, Closing Cash and Unpaid Company Transaction Expenses shall be final and binding on Purchaser, the Company and Seller, absent manifest error. In calculating Closing Debt, Closing Cash and Unpaid Company Transaction Expenses, (x) the Accounting Firm shall be limited to addressing any particular disputes referred to in the Dispute Notice and (y) each such amount shall be no greater than the higher corresponding amount calculated by Seller or Purchaser and no lower than the lower corresponding amount calculated by Seller or Purchaser. The Determination shall reflect in detail the differences, if any, between Closing Debt, Closing Cash and Unpaid Company Transaction Expenses reflected therein and Closing Debt, Closing Cash and Unpaid Company Transaction Expenses set forth in the Closing Date Schedule. The fees and expenses of the Accounting Firm shall be borne by Purchaser and Seller in proportion to how close each Party's position was to the Determination of the Accounting Firm.

(d) Payment Upon Final Determination of Adjustments.

(i) If the Estimated Initial Consideration is more than the Initial Consideration, as finally determined in accordance with Section 3.2(c) (the amount of such deficit, the "Shortfall Payment"), then Purchaser shall be paid the amount of such discrepancy by wire transfer of immediately available funds not later than three (3) Business Days after such Determination from Seller.

(ii) If the Initial Consideration, as finally determined in accordance with Section 3.2(c), is more than the Estimated Initial Consideration (the amount of such excess, the "Excess Payment"), then Purchaser shall, or shall cause the Company to, promptly, and not later than three (3) Business Days after such Determination, cause to be paid the amount of such discrepancy by wire transfer of immediately available funds to Seller.

Section 3.3 Contingent Consideration.

(a) Purchaser's obligations with respect to Milestone Payments are set forth in Exhibit E, which is incorporated by reference herein as if set forth herein.

(b) Non-Assignment of Rights to Contingent Consideration. Seller may not assign, delegate or otherwise transfer any of its rights to the Contingent Consideration without the prior written consent of Purchaser or by operation of Law or by Laws of descent or distribution. Any attempted or purported transfer in violation of this sentence will be null and void. Purchaser may assign, delegate, sell, license or otherwise transfer, without the prior written consent of Seller, its right, title and interest in the assets or any line of business or group of assets that include, all or any part of, the TYK2 Products, TYK2 Compounds, and the Intellectual Property rights therein (each a "TYK2 Product Divestment") provided that (i) (A) if the TYK2 Product Divestment is an assignment, delegation, sale or transfer of all the Purchaser's rights, title and interests in the TYK2 Products, TYK2 Compounds, and the Intellectual Property rights therein to a third party (the "Buying Party") and (B) if such Buying Party expressly assumes in writing the obligations of Purchaser under this Section 3.3, including the obligations of Purchaser set forth in Exhibit E, then Purchaser and its Affiliates shall only remain responsible for the obligations of Purchaser under Section 2 of Exhibit E following such assignment, delegation, sale or transfer to the Buying Party and shall not otherwise be subject to the obligations of Purchaser set forth in this Section 3.3 or Exhibit E; and (ii) if the TYK2 Product Divestment is a license, assignment, delegation, sale or transfer of Purchaser's interests in the TYK2 Products, TYK2 Compounds, and the Intellectual Property rights therein, other than a TYK2 Product Divestment described in clause (i) of this Section 3.3(b), then the Purchaser shall remain responsible for the obligations of Purchaser under Section 3.3, including the obligations of Purchaser set forth in Exhibit E; provided for purposes of clarity, this Section 3.3(b)(ii) shall not expand Purchaser's obligation to develop the TYK2 Products beyond the obligations of Purchaser set forth in Section 2 of Exhibit E. The Company hereby acknowledges and agrees, and by their adoption of this Agreement and acceptance of consideration under this Agreement, Seller acknowledges and agrees, that: (i) the Contingent Consideration does not represent any ownership or equity participation interest in the Company or Purchaser and does not entitle Seller to voting rights or other rights common to equity holders of Company or Purchaser, other than as expressly set forth herein, (ii) the Contingent Consideration is solely represented by this Agreement and is not represented by any certificate, instrument or other delivery, (iii) the Contingent Consideration is solely a contractual right and is not a security for purposes of any securities Laws, and confers upon Seller only the rights of a general unsecured creditor under applicable Law, (iv) the Contingent Consideration bears no interest and (v) the Contingent Consideration is not redeemable.

Section 3.4 Tax Consequences. The sale of the Shares shall constitute a taxable transaction for U.S. federal income Tax purposes. The parties hereto intend for the Milestone Payments to qualify for installment sale reporting under Section 453 of the Code and to be treated as an adjustment to the Consideration for U.S. federal income Tax purposes, and shall treat the Milestone Payments consistent with the foregoing unless otherwise required by applicable Law. Other than as expressly contemplated in the foregoing sentence, Purchaser makes no representations or warranties to the Company or to Seller regarding the Tax treatment of the sale of the Shares, or any of the Tax consequences to the Company or Seller of this Agreement, the sale of the Shares or any of the other transactions or agreements contemplated hereby. The Company acknowledges that the Company and Seller are relying solely on their own Tax advisors in connection with this Agreement, the sale of the Shares and the other transactions and agreements contemplated hereby.

Section 3.5 Exchange of Company Certificate(s).

(a) Company Certificate(s) and Stock Powers. Prior to the Closing Date, Purchaser shall deliver to Seller (A) a stock power in the form attached as Exhibit A (a "Stock Power"), and
(B) instructions for effecting the surrender or cancellation of each certificate or certificates which immediately prior to the Closing represent Shares (the "Company Certificate(s)") in exchange for the amount to be paid to Seller pursuant to Section 3.1 in respect of such Company Certificate(s).

(b) No Liability. Notwithstanding anything to the contrary in this Section 3.5, neither the Company nor Purchaser shall be liable to Seller for any amount properly paid to a public official pursuant to any abandoned property, escheat or similar Law.

(c) Withholding. Purchaser and the Company, and all of their respective Affiliates, successors, and assigns, as applicable, shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to Seller such amounts as Purchaser and the Company, and any of their respective Affiliates, successors, and assigns, as applicable, are required to deduct and withhold under the Code, or any provision of state, local or foreign Tax Law, with respect to the making of such payment. To the extent that amounts are so withheld by Purchaser, the Company or any of their Affiliates, successors, and assigns, as applicable, and paid over to the applicable Governmental Authority, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to Seller in respect of whom such deduction and withholding was made by Purchaser or the Company or any such Affiliate, successor or assign. Promptly upon becoming aware that any such withholding is required to be made from any payment payable to the Seller pursuant to this Agreement, Purchaser shall notify Seller about such requirement, but in no event later than ten (10) days prior to making such payment, and the parties shall work together in good faith to mitigate or eliminate any such withholding obligation.

Section 3.6 Escrow Account. Prior to or simultaneously with the Closing, Purchaser and Seller will enter into an escrow agreement with a nationally chartered United States bank with assets of not less than five billion dollars ($5 Billion) (the "Escrow Agent"), substantially in the form of Exhibit B (the "Escrow Agreement"). Pursuant to the terms of the Escrow Agreement, at the Closing, Purchaser will deposit the Escrow Cash into the escrow account, which account is to be managed by the Escrow Agent (the "Escrow Account"). Distributions of any Escrow Cash from the Escrow Account shall be governed by the terms and conditions of the Escrow Agreement. Purchaser and Seller shall issue joint written instructions to the Escrow Agent authorizing and directing the Escrow Agent to make distributions of Escrow Cash subject to and in accordance with Article IX.

Section 3.7 No Further Ownership Rights in Shares. At and after the Closing, Seller shall cease to have any rights as a stockholder of the Company.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Contemporaneously with the execution and delivery of this Agreement by the Company to Purchaser, the Company shall deliver to Purchaser a confidential disclosure schedule (the "Company Disclosure Schedule"). Subject to the exceptions and qualifications set forth in the Company Disclosure Schedule, each of Seller and the Company hereby represents and warrants to Purchaser, as of the date hereof and as of the Closing Date, as follows:

Section 4.1 Corporate Status. The Company (a) is duly organized, validly existing and in good standing under the Laws of the State of Delaware, (b) has all requisite power and authority to carry on its Business and (c) is duly qualified to do business and is in good standing in each of the jurisdictions in which the ownership, operation or leasing of its properties and assets and the conduct of its Business requires it to be so qualified, licensed or authorized, other than as would not be material. True and complete copies of (a) the Organizational Documents of the Company, each as amended and in effect as of the date of this Agreement, (b) the stock records of the Company and (c) the minutes and other records of the meetings and other proceedings (including any actions taken by written consent or otherwise without a meeting) of the stockholders of the Company, the Company Board of Directors and all committees thereof have been made available to Purchaser. There has not been any violation of any of the provisions of the Organizational Documents of the Company and the Company has not taken any action that is inconsistent in any material respect with any resolution adopted by the stockholders of the Company, the Company Board of Directors or any committees thereof.

Section 4.2 Authority and Enforceability.

(a) The Company has all necessary corporate power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement by the Company, the performance by the Company of its obligations hereunder, and the consummation by the Company of the transactions contemplated by this Agreement, have been duly authorized by the board of directors of the Company (the "Company Board of Directors"), and no other corporate action on the part of the Company is necessary to authorize the execution and delivery of this Agreement by the Company, the performance by the Company of its obligations hereunder or the consummation by the Company of the transactions contemplated by this Agreement. This Agreement has been duly executed and delivered by the Company and (assuming due authorization, execution and delivery by the other Parties to this Agreement) constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited by or subject to (a) bankruptcy, insolvency, reorganization, moratorium and other similar Laws relating to or affecting creditors' rights generally or (b) the effect of rules of Law and general principles of equity, including those governing specific performance, injunctive relief and other equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at Law) (the "Enforceability Exceptions").

(b) At a meeting duly called and held, the Company Board of Directors has (i) unanimously determined that this Agreement and the transactions contemplated hereby are fair to, advisable and in the best interests of the Company's stockholders and (ii) unanimously approved and adopted this Agreement and the transactions contemplated hereby (the "Seller Board Approval").

Section 4.3 No Conflict; Government Authorizations.

(a) The execution and delivery of this Agreement, the performance by the Company of its obligations hereunder and the Ancillary Documents to which the Company is or will be a party, and the consummation by the Company of the transactions contemplated by this Agreement or the Ancillary Documents to which the Company is or will be a party, does not and will not (i) conflict with, or result in any violation of the Company's Organizational Documents; (ii) subject to the matters described in Section 4.3(b), conflict with or result in a violation of any Permit or Law applicable to the Company or its assets in any material respect; or (iii) result in a material breach of, or constitute a material default (or event which with the giving of notice or lapse of time, or both, would become a material default) under, or give rise to any rights of termination, cancellation or acceleration of any obligation or to loss of a benefit under, or result in the creation of any Encumbrance (not including Permitted Encumbrances) upon any of the rights or assets of the Company pursuant to any Material Contract of the Company.

(b) No consent of, or registration, declaration, notice or filing with, any Governmental Authority is required to be obtained or made by the Company in connection with the execution, delivery and performance of this Agreement and the Ancillary Documents to which the Company is or will be a party or the consummation of the transactions contemplated hereby or thereby.

Section 4.4 Capitalization.

(a) As of the date of this Agreement, the authorized capital stock of the Company consists of 100,000 shares of Company Common Stock, of which 100,000 shares are issued and outstanding. All issued and outstanding shares of Company Capital Stock have been duly authorized, validly issued, fully paid, and are nonassessable and free and clear of any and all Encumbrances and free and clear of any covenant, condition, restriction, voting trust arrangement or adverse claim of any kind and have been issued in compliance with all applicable federal and state securities Laws. There are no outstanding options, convertible notes or other rights to acquire Company Capital Stock. No shares of the Company Capital Stock (1) are subject to preemptive rights or rights of first refusal or (2) were issued in violation of any preemptive, subscription or other similar rights under any provision of applicable Law, the Company's Organizational Documents or any Contract of the Company.

(b) Seller owns all of the outstanding Shares.

(c) The Company does not own, directly or indirectly, any equity or other similar interest, or any right (contingent or otherwise) to acquire any such interest, in any other Person or in any joint venture.

(d) There are no securities, options, convertible notes, restricted stock, stock appreciation rights, restricted stock units, phantom stock, calls, rights, commitments, agreements, arrangements or undertakings of any kind to which the Company is a party or by which it is bound obligating the Company to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or other voting securities or securities convertible into, or linked to or exchangeable for equity interests or voting securities of the Company or any of its Subsidiaries or obligating the Company to issue, grant, extend or enter into any such security, option, convertible note, call, right, commitment, agreement, arrangement or undertaking. Except as set forth in the Company's Organizational Documents there are no outstanding obligations of the Company to repurchase, redeem or otherwise acquire any shares of capital stock of the Company. There are no bonds, debentures, notes or other Debt of the Company having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which holders of the Company's voting securities or interests may vote. Seller is an "accredited investor" as such term is defined in Rule 501(a) of the Securities Act.

Section 4.5 Financial Statements; Undisclosed Liabilities.

(a) The Company has made available to Purchaser copies of the financial statements of the Company along with FronThera Pharmaceuticals, its wholly owned Subsidiary, (including the balance sheet, the related statements of operations and, with respect to FronThera Pharmaceuticals, a statement of cash flows) as of and for the years ended December 31, 2020 (unaudited), December 31, 2019 (unaudited) and December 31, 2018 (unaudited) (collectively, the "Company Financial Statements"). The Company Financial Statements (including in each case, the notes thereto, if any) present fairly, in all material respects, the combined financial position and results of operations and cash flows of the Company along with FronThera Pharmaceuticals as of the dates thereof and for the periods covered thereby. The Company Financial Statements have been prepared from books and records maintained by the Company and FronThera Pharmaceuticals.

(b) The books of account and other financial records of the Company along with FronThera Pharmaceuticals have been kept accurately in the ordinary course of business consistent with applicable Laws, the transactions entered therein represent bona fide transactions, and the revenues, expenses, assets and liabilities of the Company and FronThera Pharmaceuticals have been properly recorded therein in all material respects. The Company and FronThera Pharmaceuticals have established and maintain a system of internal accounting controls reasonable for a company of their size and stage of development. Since December 31, 2020, there have been no changes in any accounting controls, policies, principles, methods or practices, including any change with respect to reserves (whether for bad Debts, contingent liabilities or otherwise).

(c) Neither the Company nor FronThera Pharmaceuticals have any Liabilities other than (i) those set forth on their respective balance sheets as of December 31, 2020 (unaudited) (the "Base Balance Sheets"), (ii) incurred in the ordinary course of business consistent with past practice since the Base Balance Sheets that are not material in amount or significance, either individually or in the aggregate, and do not result from a breach of Contract, breach of warranty, violation of Law, infringement, misappropriation, or other tort, (iii) Closing Debt or Unpaid Company Transaction Expenses, or (iv) as would not reasonably be expected to be material to the Company or FronThera Pharmaceuticals.

Section 4.6 Absence of Certain Changes. Since December 31, 2020 until the date of this Agreement, there has not been, occurred or arisen: any event, occurrence, development or state of circumstances or facts that has had or would reasonably be expected to have, individually or in the aggregate, any Material Adverse Effect.

Section 4.7 Taxes.

(a) (i) The Company has timely filed with the appropriate Governmental Authority all income and other material Tax Returns required to be filed by it (taking into account all applicable valid extensions); (ii) all income and other material Tax Returns that the Company has filed (whether required or otherwise) are complete and accurate in all material respects, (iii) all accounting books and financial statements as well as any other record or register provided for by the applicable Tax Laws have been and are duly prepared, kept and updated and include all relevant records and annotations in compliance in all material respects with the applicable Tax Laws; and (iv) all Taxes payable by the Company (whether or not shown as payable on any Company Tax Returns) have been paid, and there are no Encumbrances with respect to Taxes upon any of the assets or properties of the Company, other than Permitted Encumbrances. The Company has made available to Purchaser accurate and complete copies of all income, franchise, sales, use, VAT and other material Tax Returns filed by, on behalf of, or with respect to, the Company and complete and accurate copies of all audit or examination reports and statements of deficiencies assessed against the Company, in each case, for which the applicable statute of limitations has not yet expired.

(b) The unpaid Taxes of the Company have been properly accrued on the Company Financial Statements in accordance with GAAP. The Company has not incurred any liability for Taxes since the Company Financial Statements outside of the ordinary course of business, except in connection with the transactions contemplated by this Agreement.

(c) The Company has withheld or collected all material Taxes required to have been withheld or collected in connection with any amounts paid or owing to any employee, independent contractor, customer, creditor, stockholder or other third party and timely paid over any such Taxes and other amounts to the appropriate Governmental Authority in accordance with applicable Law.

(d) There are no Tax Proceedings in progress or pending, or, to the Company's Knowledge, any threatened or contemplated Tax Proceedings by any Governmental Authority and there are no matters relating to Taxes under discussion between any Governmental Authority and the Company.

(e) The Company has never received from any Governmental Authority any written: (i) notice indicating an intent to open an audit or other review with respect to any Tax of the Company or any Company Tax Return; (ii) request for information related to Tax matters; or (iii) notice of deficiency or proposed Tax adjustment, which is still outstanding. The Company has not agreed to any waiver or extension of the statutory period of limitations with respect to a Tax assessment or deficiency, which waiver or extension is currently in effect nor has any request been made in writing for any such waiver or extension. No written claim has ever been made by a Governmental Authority in a jurisdiction where the Company does not pay Taxes or file Tax Returns asserting that the Company is or may be subject to Taxes assessed by such jurisdiction.

(f) The Company is not party to, is not bound by, and has no obligation under, any Tax sharing, Tax allocation or Tax indemnity agreement or similar Contract or arrangement, except for customary gross-up or indemnification provisions in credit agreements, derivatives, leases or other commercial agreements entered into in the ordinary course of business not primarily related to Tax.

(g) The Company does not have any Liability for the Taxes of any other Person (i) under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local, or non-U.S. Law), (ii) as a transferee or successor, or (iii) by Contract (other than customary gross-up or indemnification provisions in credit agreements, derivatives, leases or other commercial agreements entered into in the ordinary course of business not primarily relating to Tax). The Company has not been a member of any group of corporations filing Tax Returns on a combined, consolidated, unitary or similar basis (other than a group the common parent of which is the Company).

(h) The Company has not been a U.S. real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(l)(A)(ii) of the Code.

(i) The Company has not participated in any "reportable transaction" within the meaning of Treasury Regulations Section 1.6011-4.

(j) The Company (and Purchaser or its Affiliates as a result of its acquisition of the Company) will not be required to include any income or gain in or exclude any deduction or loss from taxable income for any Tax period or portion thereof beginning after the Closing Date as a result of (A) any adjustment under Section 481 of the Code (or any corresponding provision of state, local or non-U.S. Tax law) by reason of a change in a method of accounting, or use of an improper method of accounting, or otherwise (including as a result of the transactions contemplated by this Agreement) for a taxable period that ends on or prior to the Closing Date, (B) any "closing agreement" within the meaning of Section 7121 of the Code (or any similar provision of applicable state, local or non-U.S. Law) entered into on or prior to the Closing Date, (C) any intercompany transaction (including any intercompany transaction subject to Section 367 or 482 of the Code) or excess loss account described in the Treasury Regulations promulgated pursuant to Section 1502 of the Code (or any corresponding or similar provision of state, local or non-U.S. Law) with respect to a transaction occurring before the Closing, (D) any installment sale or open transaction disposition made on or prior to the Closing Date, or (E) any deferred revenue or prepaid amount received outside the ordinary course of business on or prior to the Closing Date. The Company has not made an election under Section 965(h) prior to the Closing. The Company uses the accrual method of accounting for income Tax purposes.

(k) The Company has not been either a "distributing corporation" or a "controlled corporation" in a transaction intended to be governed by Section 355 of the Code.

(l) Each Company Benefit Plan and other Contract that constitutes in any part a nonqualified deferred compensation plan within the meaning of Section 409A of the Code has been operated and maintained in operational and documentary compliance with Section 409A of the Code and applicable guidance thereunder. No compensation has been or would reasonably be expected to be includable in the gross income of any Service Provider of the Company or any of its Subsidiaries as a result of the operation of Section 409A of the Code. No compensation has been or would reasonably be expected to be includable in the gross income of any Service Provider of the Company or any of its Subsidiaries as a result of the operation of Section 409A of the Code. Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, either alone or in combination with another event (whether contingent or otherwise) will result in any "parachute payment" under Section 280G of the Code (or any corresponding provision of state, local, or non-U.S. Tax Law) that is subject to deduction limitations or excise taxes as a result of the operation of Section 280G of the Code (or any corresponding provision of state, local, or non-U.S. Tax Law).

(m) The Company is and always has been a domestic corporation taxable under subchapter C of the Code for U.S. federal income Tax purposes. The Company has never had any direct or indirect ownership interest in any trust, corporation, partnership, limited liability company, joint venture or other business entity for U.S. federal income Tax purposes, other than FronThera U.S. Pharmaceutical LLC. The Company is not, and has never been, a party to any joint venture, partnership or other arrangement or Contract that would be treated as a partnership for Tax purposes.

(n) Section 4.7(n) of the Company Disclosure Schedule sets forth all Tax exemptions, Tax holidays, Tax concessions or other Tax reduction agreements or arrangements ("Tax Incentives") applicable to the Company. The Company has made available to Purchaser all documentation relating to such Tax Incentives. The Company is in material compliance with the requirements for any such Tax Incentive and none of the Tax Incentives will be jeopardized or altered by, or could be subject to clawback or recapture, as a result of the transactions contemplated by this Agreement.

(o) The Company has disclosed on its Tax Returns any Tax reporting position taken in any Tax Return which could reasonably result in the imposition of penalties under Section 6662 of the Code (or any comparable provisions of state, local or non-U.S. Law). The Company has not (i) consummated or participated in any transaction which was or is a "tax shelter" transaction, as defined in Section 6662 or Section 6111 of the Code or the Treasury Regulations promulgated thereunder, (ii) participated in any "reportable transaction" as defined in Section 6707A(c) of the Code or the Treasury Regulations promulgated thereunder, (iii) engaged in any transaction that would require the filing of an IRS Schedule UTP, or (iv) participated or engaged in any other transaction that is subject to disclosure requirements pursuant to a corresponding or similar provision of state, local or non-U.S. Tax Law.

(p) The Company has in its possession official foreign government receipts for any Taxes paid by it to any foreign Tax authorities for which receipts have been provided or are customarily provided. The Company does not have, and has never had, a permanent establishment (as defined in any applicable Tax treaty or convention), an office or fixed place of business, or otherwise is or has been subject to Tax, in any country other than the country in which it is organized.

(q) No written Tax ruling, clearance or consent has been issued to the Company, and the Company has not applied for any Tax ruling, clearance or consent.

(r) The Company is in compliance in all material respects with all applicable transfer pricing laws and regulations, including the execution and maintenance of contemporaneous documentation substantiating the transfer pricing practices and methodology of the Company. All transactions and agreements entered into between the Company and any related parties have been made on arm's length terms for purposes of all applicable transfer pricing laws, including the Treasury Regulations promulgated under Section 482 of the Code.

(s) None of the Shares were issued in connection with the performance of services and subject to vesting for which no valid and timely election was filed pursuant to Section 83(b) of the Code. The Company has delivered to Purchaser correct and complete copies of all election statements under Section 83(b) of the Code, together with evidence of timely filing of such election statements with the appropriate Internal Revenue Service center with respect to any shares of Company Capital Stock or other property that was initially subject to a vesting arrangement issued by the Company to any of its employees, non-employee directors, consultants or other service providers.

(t) The Company has collected, remitted and reported to the appropriate taxing authority all sales, use, value added, excise and similar Taxes required to be so collected, remitted or reported pursuant to all applicable Tax laws. The Company has complied in all material respects with all applicable Laws relating to record retention (including to the extent necessary to claim any exemption from Tax collection and maintaining adequate and current resale certificates to support any such claimed exemption).

(u) The Company has (i) not deferred, extended or delayed the payment of the employer's share of any "applicable employment taxes" under Section 2302 of the CARES Act, (ii) properly complied with and duly accounted for all credits received under Sections 7001 through 7005 of the Families First Coronavirus Response Act (Public Law 116-127) and Section 2301 of the CARES Act, and (iii) not sought, and do not intend to seek, a covered loan under Section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)), as added by Section 1102 of the CARES Act.

Section 4.8 Legal Proceedings; Governmental Orders. As of the date of this Agreement, there are and, since January 1, 2018, there have been no Actions pending by or against or, to the Knowledge of the Company, threatened against, the Company or any executive officer or director of the Company in his or her capacity as such, and the Company is not, and since January 1, 2018, has not been, subject to any Governmental Order that restricts the activities of the Business. There is no Action pending by the Company or which the Company intends to initiate against any other Person.

Section 4.9 Compliance with Laws; Permits; Filings.

(a) The Company is, and since January 1, 2018, has been in compliance in all material respects with, and conducts its Business and research and development activities, including clinical studies, in compliance in all material respects with, all applicable Laws. Since January 1, 2018, the Company has not received any notice from any Governmental Authority to the effect that the Company is not in compliance with any applicable Law in any material respect.

(b) The Company holds, and is operating in compliance in all material respects with, all Permits that are necessary for the conduct of its Business as presently conducted by the Company. Section 4.9(b) of the Company Disclosure Schedule sets forth a true and complete list of each such Permit in effect as of the date of this Agreement. All such Permits are, and since January 1, 2018, have been, valid, and in full force and effect, the Company is not and, since January 1, 2018, has not been in violation or default of any Permit held by it and the Company has not received any notification from any Governmental Authority that it intends to or is threatening to revoke, suspend, modify or limit any Permit. The Company has fulfilled and performed all of its obligations with respect to the Permits, and no event has occurred which allows, or after notice or lapse of time would allow, revocation or termination thereof or results in any other material impairment of the rights of the holder of any Permit.

Section 4.10 Environmental Matters.

(a) The Company complies, and since January 1, 2018, has complied, in all material respects with all applicable Environmental Laws.

(b) There is not now and has not been since January 1, 2018, any Hazardous Materials used, generated, treated, stored, transported, disposed of, or released by the Company from any real property leased or owned by the Company and used in the Business except in material compliance with all applicable Environmental Laws.

(c) The Company has not received any written notice of alleged, actual or potential responsibility for, or any inquiry or investigation regarding, any release or threatened release of Hazardous Materials or alleged violation of, or non-compliance with, any Environmental Law.

(d) There are no material Liabilities of the Company arising under or relating to any Environmental Law or any Hazardous Materials and, to the Knowledge of the Company, there is no condition, situation or set of circumstances that could reasonably be expected to result in or be the basis for any such Liability.

(e) There has been no environmental investigation, study, audit, test, review or other analysis conducted to the Company's Knowledge in relation to the Business of the Company or any property or facility now or previously owned or leased by the Company that has not been delivered to Purchaser.

(f) For purposes of this Section 4.10, the term "Company" shall include any entity that is, in whole or in part, a predecessor of the Company.

Section 4.11 Employee Matters and Benefit Plans.

(a) Section 4.11(a) of the Company Disclosure Schedule sets forth a true and complete list of each Company Benefit Plan in effect as of the date of this Agreement. Each Company Benefit Plan complies in form and in operation, and has been administered in accordance with, its terms and the applicable requirements of ERISA, the Code and other applicable Law, in all material respects. Other than routine claims for benefits, there is no action, suit, complaint, charge, litigation, audit, investigation or proceeding, whether administrative, civil or criminal, in Law or in equity, or before any Governmental Authority or arbitrator (each, a "Proceeding") pending or, to the Knowledge of the Company, threatened in writing with respect to a Company Benefit Plan or any fiduciary or service provider thereof and, to the Knowledge of the Company, there is no fact or circumstance that would give rise to any such Proceeding.

(b) With respect to each Company Benefit Plan, the Company has provided to Purchaser true and complete copies, as applicable, of: (i) each such Company Benefit Plan, including all amendments thereto, the most recent summary plan description and summary of material modifications, and any other notice or description provided to employees (as well as any modifications or amendments thereto), (ii) the most recent determination or opinion letter, if any, issued by the Internal Revenue Service and each currently pending request for such a letter with respect to any Company Benefit Plan that is intended to be qualified under Section 401(a) of the Code, (iii) if such Company Benefit Plan is intended to be qualified under Section 401(a) of the Code, all discrimination tests, if any, required under the Code for such Company Benefit Plan for the three most recent plan years, (iv) the most recent annual report (Form 5500 series) filed with the Internal Revenue Service, (v) any related trust or funding agreements or other material Contracts, and (vi) all filings, records, notices and correspondence to and from Governmental Authority.

(c) Each Company Benefit Plan that is intended to qualify under Section 401(a) of the Code is so qualified and either (i) has received a current favorable determination letter from the Internal Revenue Service as to its qualified status or (ii) may rely upon a current prototype opinion letter from the Internal Revenue Service. No fact or event has occurred that could reasonably be expected to adversely affect or cause the loss of such qualified status. Each trust established in connection with any Company Benefit Plan which is intended to be exempt from federal income taxation under Section 501(a) of the Code is so exempt, and no fact or event has occurred that could reasonably be expected to adversely affect the exempt status of any such trust.

(d) No Company Benefit Plan is, and none of the Company, any of its Subsidiaries, or any of their respective ERISA Affiliates has ever sponsored, maintained, participated in, contributed to, or had any Liability or obligation (contingent or otherwise) with respect to any (i) Multiemployer Plan (as such term is defined in Section 3(37) of ERISA), (ii) other pension plan subject to Title IV or Part 3 of Title I of ERISA or Section 412 of the Code, (iii) "multiple employer plan" (within the meaning of Section 413(c) of the Code), or (iv) multiple employer welfare arrangement (within the meaning of Section 3(40) of ERISA). No Company Benefit Plan provides, and none of the Company, any of its Subsidiaries, or any of their respective ERISA Affiliates has any obligation or Liability to provide any of the following retiree or post-employment benefits to any Person: medical, accident, disability, life insurance, death or welfare benefits, except as required by the applicable requirements of Section 4980B of the Code or any similar state Law. The obligations of all Company Benefit Plans that provide health, welfare or similar insurance to any employees are fully insured by bona fide third-party insurers.

(e) With respect to each Company Benefit Plan: (i) no breaches of fiduciary duty or other failures to act or comply in connection with the administration or investment of the assets of such Company Benefit Plan have occurred, (ii) no liens, claims, charges, pledges, security interests, Encumbrances or other restrictions and limitations of any kind (collectively, "Liens") have been imposed under the Code, ERISA or any other applicable Law, and (iii) there has been no non-exempt prohibited transaction (within the meaning of Section 406 of ERISA or Section 4975 of the Code).

(f) Except as set forth on Section 4.11(f) of the Company Disclosure Schedule, neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, either alone or in combination with another event (whether contingent or otherwise) could (i) entitle any current or former Service Provider of the Company or any of its Subsidiaries to any payment; (ii) increase the amount of compensation or benefits due to any such Service Provider or any such group of Service Providers; (iii) limit the right of the Company or any of its Subsidiaries to amend, merge, terminate or receive a reversion of assets from any Company Benefit Plan or related trust; or (iv) accelerate the vesting, funding or time of payment of any compensation, equity award or other benefit. There is no Contract, agreement, plan or arrangement to which the Company or any of its Subsidiaries is a party which requires the Company or such Subsidiary to pay a Tax gross-up or reimbursement payment to any Person, including without limitation, with respect to any Tax-related payments under Section 409A of the Code or Section 280G of the Code.

(g) All payments, benefits, contributions (including all employer contributions and employee salary reduction contributions) and premiums related to each Company Benefit Plan, including all wages, salaries, commissions, bonuses, benefits and other compensation due to or on behalf of any Service Providers, have been timely paid or made in full or, to the extent not yet due, properly accrued on the balance sheet in accordance with the terms of the Company Benefit Plan and all applicable Laws. No Company Benefit Plan, and none of the Company, any of its Subsidiaries or any Company Benefit Plan fiduciary with respect to any Company Benefit Plan, in any case, is the subject of an audit or investigation by the Internal Revenue Service, the Department of Labor, the Pension Benefit Guaranty Corporation or any other Governmental Authority, nor is any such audit or investigation pending or, to the Company's Knowledge, threatened.

(h) Each of the Company, its Subsidiaries, and each of their respective ERISA Affiliates is, and since January 1, 2018 has been, in compliance in all material respects with the applicable requirements of (i) Section 4980B of the Code and any similar state Law, (ii) the applicable requirements of the Health Insurance Portability and Accountability Act of 1996, as amended, and the Laws (including the proposed regulations) thereunder and (iii) the Patient Protection and Affordable Care Act of 2010, and all rules and official guidance promulgated thereunder, and no circumstance exists or event has occurred, and no circumstance is expected to exist or event expected to occur, which reasonably could be expected to result in a material violation of, or material penalty or Liability under, any of the foregoing.

(i) None of the Company or any of its Subsidiaries has sponsored, maintained, contributed to, or has been required to sponsor, maintain, participate in or contribute to, any employee benefit plan, program, or other arrangement providing compensation or benefits to any employee or former employee (or any dependent thereof) which is subject to the Laws of any jurisdiction outside of the United States.

(j) Each Company Benefit Plan may be amended, terminated, or otherwise modified by the Company to the greatest extent permitted by applicable law, including the elimination of any and all future benefit accruals thereunder and no employee communications or provision of any Company Benefit Plan has failed to effectively reserve the right of the Company or the ERISA Affiliate to so amend, terminate or otherwise modify such Company Benefit Plan. Neither the Company nor any of its ERISA Affiliates has announced its intention to modify or terminate any Company Benefit Plan or adopt any arrangement or program which, once established, would come within the definition of a Company Benefit Plan. Each asset held under each Company Benefit Plan may be liquidated or terminated without the imposition of any redemption fee, surrender charge or comparable liability.

Section 4.12 Labor.

(a) The Company has provided to the Purchaser a true and correct list, as of the date of this Agreement, containing the names of each current employee and independent contractor and stating for each: (i) name and identification as either a full-time, part-time or temporary employee or independent contractor; (ii) the annual dollar amount of all compensation (including wages, salary, consulting fees, commissions, and bonuses); (iii) dates of hire or engagement; (iv) title; (v) the employing or contracting entity; (vi) any eligibility to receive severance, notice of termination, retention payment, change of control payment, or other similar compensation; (vii) visa status, if applicable; and (viii) with respect to employees, a designation of whether they are classified as exempt or non-exempt for purposes of the Fair Labor Standards Act, as amended and any similar state law. The employment or engagement of each employee and independent contractor can be terminated at any time for any reason without notice or payment of severance, termination fee, or other compensation or consideration being owed to such individual other than amounts earned as of the date of termination or as required under applicable Law.

(b) (i) Neither the Company nor any of its Subsidiaries has ever experienced any strike, work stoppage, lockout, or other labor dispute, and to the Knowledge of the Company no such strike, work stoppage, lockout or other labor dispute is currently threatened; (ii) neither the Company nor any of its Subsidiaries has experienced any grievance, claim of unfair labor practices, or other collective bargaining dispute; and (iii) to the Knowledge of the Company, no union organizing activity has been made or threatened by or on behalf of any labor organization, works council, or trade association with respect to employees of the Company or any of its Subsidiaries. Neither the Company nor any of its Subsidiaries is or has at any time been bound by any collective bargaining or similar agreement, and, to the Knowledge of the Company, there are no organizational campaigns, petitions, or other unionization activities seeking to authorize representation of any employee.

(c) Since January 1, 2018, neither the Company nor any of its Subsidiaries has taken any action implicating the Worker Adjustment Retraining and Notification Act of 1988, as amended, or any similar Law (collectively, the "WARN Act").

(d) There are no Proceedings against the Company or any of its Subsidiaries pending, or to the Company's Knowledge, threatened in writing to be brought or filed, before any Governmental Authority in connection with the employment or engagement of any Service Provider or applicant for employment, including any claim relating to unfair labor practices, employment discrimination, harassment, retaliation, equal pay, with respect to payment of wages, salary or overtime pay or any other similar employment related matter arising under applicable employment Laws.

(e) Each of Company and each of its Subsidiaries is, and since January 1, 2018 has been, in compliance in all material respects with all applicable Laws relating to employment and employment practices, including, but not limited to, Laws related to workers' compensation, terms and conditions of employment, worker classification, wages and hours, discrimination, immigration, collective bargaining, and the WARN Act. All current and former employees of the Company and its Subsidiaries have provided documentation evidencing their authorization under applicable immigration Laws to be employed by the Company and the Company has obtained and maintained valid Form I9s for each such current and former employee in accordance with applicable Law. Except as would not reasonably be expected to result in material Liability, the Company and each of its Subsidiaries have properly classified their respective Service Providers as "employees" or "independent contractors" and as "exempt" or "non-exempt" for all purposes and have properly paid and reported all compensation paid to such Service Providers for all purposes.

(f) To the Knowledge of the Company, since January 1, 2018, (i) no allegations of discrimination, retaliation, sexual harassment, or similar misconduct have been made against (A) any employee, officer, or director of the Company or its Subsidiaries or (B) any Service Provider who supervises other employees of the Company, and (ii) the Company has not entered into any settlement agreement or conducted any investigation related to allegations of sexual harassment or sexual misconduct by a Service Provider.

Section 4.13 Intellectual Property.

(a) Section 4.13(a) of the Company Disclosure Schedule sets forth a true and complete list of all Company Intellectual Property that is both (i) owned by the Company or exclusively licensed to the Company and (ii) has been registered, issued, or otherwise granted by, or for which an application for registration, issue, or grant is pending with, a Governmental Authority. The foregoing list shall include the record owner, and, if different, the legal and beneficial owner, of each listed item and the jurisdiction in which such item has been registered or filed and, except for domain name registrations, the applicable application, registration or serial number.

(b) (i) To the Company's Knowledge, the conduct of the Business of the Company as currently conducted, and as currently proposed by the Company to be conducted, does not infringe upon, misappropriate, violate or otherwise constitute the unauthorized use of, the Intellectual Property rights of any Person; and (ii) no claim is pending or, to the Company's Knowledge threatened in writing, against the Company alleging any of the foregoing, and to the Company's Knowledge, there are no facts or circumstances that would reasonably be likely to provide a basis for any such claim; and (iii) the Company owns or has valid rights to use any Intellectual Property used by the Company in the conduct of the Business of the Company as currently conducted and as currently proposed by the Company to be conducted. All Company Intellectual Property is either (x) owned by, or subject to an obligation of assignment to, the Company, free and clear of all Encumbrances (other than Permitted Encumbrances) and other exceptions to title that restrict use by the Company of its Intellectual Property in any way or require the Company to make any payment as a condition to use any way of such Intellectual Property, or (y) licensed to (or otherwise authorized for use by) the Company free and clear of all Encumbrances (other than Permitted Encumbrances).

(c) None of the Patents included in the Company Controlled Intellectual Property is the subject of any litigation, reissue, interference, inter partes review, post grant review, reexamination, or opposition proceeding, and to the Company's Knowledge, there has been no threat that any such proceeding will hereafter be commenced. The Company's Patents (excluding patent applications and other than registrations or applications that are not material to the Company's Business and that the Company has, at least thirty (30) days prior to the date of this Agreement, decided to cancel, let expire, not maintain or permit to go abandoned in its reasonable business judgment) (i) are, to the Company's Knowledge, valid and enforceable, (ii) have not been adjudged invalid or unenforceable in whole or in part, (iii) are not undergoing cancellation, inter partes review, post grant review, re-examination, termination or withdrawal proceedings and (iv) have been properly obtained in accordance with all applicable rules and regulations governing the prosecution of applications for such Patent. To the Company's Knowledge, there are no Patents of any third party that are dominating or interfering or potentially dominating or interfering, with the Patents included in the Company Controlled Intellectual Property or that could be reasonably asserted by a Person to exclude or prevent the Company from practicing the Patents included in the Company Controlled Intellectual Property to conduct the Business of the Company as currently conducted or currently proposed to be conducted by the Company.

(d) All applications and registrations for Company Controlled Intellectual Property have been filed, prosecuted and maintained in good faith and in a commercially reasonable manner and, to the Company's Knowledge, in compliance with applicable Law. All registered Company Controlled Intellectual Property (other than pending Patent applications and pending Trademark applications) is, to the Company's Knowledge, valid and enforceable and in full force and effect as of the date hereof, and, to the Company's Knowledge, other than registrations or applications that are not material to the Company's Business and that the Company has, at least thirty (30) days prior to the date of this Agreement, decided to cancel, let expire, not maintain or permit to go abandoned in its reasonable business judgment, has not lapsed, been abandoned, been disclaimed, been canceled or been forfeited, in whole or in part, and, to the Company's Knowledge, there are no facts or circumstances that would reasonably be likely to provide a basis for abandonment, invalidity, cancellation, forfeiture, or unenforceability of the registered Company Controlled Intellectual Property (except for expiration at the end of their statutory terms). No registered Company Controlled Intellectual Property has been or is subject to any cancellation, nullification, inter partes review, post grant review, interference, conflict, concurrent use or opposition proceeding, reissue, reexamination, invalidity, or other similar proceeding challenging the scope, validity, priority, duration, inventorship, ownership, registrability, effectiveness, use or right to use any of the registered Company Controlled Intellectual Property and to the Company's Knowledge there has been no threat that any such proceeding will hereafter be commenced. Neither the Company nor any of its Representatives engaged in prosecuting the Company Intellectual Property has engaged in any fraud, or violation of 37 C.F.R. §1.56, with regard to the prosecution or procurement of the Company's Patents.

(e) Since January 1, 2018, there have not been any, nor are there any Actions pending, or, to the Company's Knowledge, threatened in writing, against the Company (i) challenging or seeking to deny or restrict the use by the Company of the Company Controlled Intellectual Property or (ii) alleging that any services provided by, processes used by, or Company Products being developed by the Company in relation to its Business as currently conducted or as currently proposed by the Company to be conducted infringe or misappropriate any Intellectual Property right of any third party.

(f) Except with respect to registrations or applications that are not material to the Company's Business and that the Company has, at least thirty (30) days prior to the date of this Agreement, decided to cancel, let expire, not maintain or permit to go abandoned in its reasonable business judgment, all application fees, maintenance fees, annuity fees, renewal fees or other similar payments to any Governmental Authority for each jurisdiction in which each Patent, Patent application, Trademark, Trademark application, trade name, trade name registration, brand name, brand name registration, service mark, service mark registration, Copyright, Copyright application, domain name or domain name application, whether issued or pending, that is included within the Company Intellectual Property has issued or is pending have been timely paid and all necessary documents and certificates in connection therewith have been filed with the relevant Governmental Authority for the purpose of maintaining such registrations or applications.

(g) To the Knowledge of the Company, (i) no Person is engaging in any activity that infringes, dilutes, violates or misappropriates the Company Controlled Intellectual Property; (ii) no such claims or assertions have been made against a Person by or on behalf of the Company or by or on behalf of the owner or licensor of any Intellectual Property exclusively licensed to the Company; and (iii) there are no facts or circumstances that would reasonably be likely to provide a basis for any such claims or assertions.

(h) The Company has used reasonable efforts, consistent with industry standards, to maintain, protect, and preserve the security, confidentiality, value and ownership of confidential Know-How and confidential information included in the Company Controlled Intellectual Property, including by requiring employees and consultants, and any other Person with access to such confidential Know-How and confidential information to execute a reasonably customary confidentiality agreement. To the Company's Knowledge, no such current or former employees or consultants, and no other such Person is in violation in any material respect of any such confidentiality agreements. To the Knowledge of the Company, there has been no misappropriation of any trade secrets or other confidential information of the Company with respect to its Business.

(i) The Company has not (i) transferred ownership of, (ii) granted any exclusive license of, exclusive right to use or option to exclusively license or use, or (iii) authorized the retention of any exclusive rights to use, or (iv) authorized joint ownership of any owned Company Intellectual Property.

(j) All past and present employees, officers, consultants and independent contractors of the Company with access to the Company's confidential information with respect to its Business are parties to written agreements under which each such Person is obligated to maintain the confidentiality of confidential information of the Company. All past and present employees, officers, consultants and independent contractors of the Company who are, or have been, involved in the creation or development of Company Intellectual Property have executed written agreements pursuant to which such Persons have assigned to the Company all their rights in and to all Intellectual Property arising out of or relating to such Person's activities with respect to the Company's Business. To the Company's Knowledge, no such officers, employees, consultants and independent contractors of the Company are in violation of such agreements. All material Intellectual Property created by the Company's founders or other Persons for or on behalf of or in contemplation of the Company (i) prior to the inception of the Company or (ii) prior to such Person's commencement of employment with the Company has been irrevocably assigned to the Company. The Company is not utilizing (A) any Intellectual Property authored, invented, created, conceived or developed by any employee or other Person that the Company intends to hire prior to such employee or Person's employment by the Company, or (B) in the Company's Business, to the Knowledge of the Company, any confidential information of any other Persons to which such employees or Persons were exposed prior to their employment by the Company.

(k) Section 4.13(k) of the Company Disclosure Schedule sets forth a true and accurate list of all Contracts in effect as of the date of this Agreement relating to any right in, to or under any Company Intellectual Property (including all licenses, options, settlement agreements, coexistence agreements, consent agreements, assignments, security interests) that have been granted (i) to the Company (other than Standard Business Agreements), or (ii) by the Company to any other Person. The Company is in material compliance with the terms of all such agreements and other obligations and, with respect to sublicenses of Company Intellectual Property to the Company, to the Knowledge of the Company, the Company's licensor is in compliance in all material respects with all agreements granting such Intellectual Property rights to such licensor. The Company has not entered into any Contract (i) granting any Person the right to bring infringement actions with respect to, or otherwise to enforce rights with respect to, any of the Company Controlled Intellectual Property, or (ii) granting any Person the right to control the prosecution of any of the Company Controlled Intellectual Property except as set forth in Section 4.13(k) of the Company Disclosure Schedule. The Company has not assigned, transferred, conveyed, or granted any licenses (or options to any licenses) to Intellectual Property that would have been Company Controlled Intellectual Property, but for such assignment, transfer, conveyance, license or option grant. The execution and delivery of this Agreement by the Company and the consummation of the transactions contemplated by this Agreement (alone or in combination with any other event) and the compliance with the provisions of this Agreement do not and will not (i) result in the material breach of, or create on behalf of any third party the right to terminate or modify, (A) any license, sublicense or other agreement relating to any Company Intellectual Property owned by the Company, or (B) any license, sublicense or other agreement as to which the Company is a party and pursuant to which any third party is authorized by the Company to use any Company Controlled Intellectual Property, or (ii) otherwise conflict with, alter, or impair, any of the rights of the Company in any Company Intellectual Property, or, to the Company's Knowledge, the validity, enforceability, use, right to use, ownership, priority, duration, scope or effectiveness of any such Company Intellectual Property.

(l) Except as set forth in Section 4.13(l) of the Company Disclosure Schedule and except for non-negotiated, non-exclusive licenses to off-the-shelf generally commercially available software with annual license fees under $25,000 or any other Standard Business Agreements, there are no agreements, arrangements or understandings (including all licenses, options, settlement agreements, coexistence agreements, consent agreements, assignments, security interests), in each case, whether written or oral, pursuant to which the Company is obligated to make payments or provide other consideration (in any form, including royalties, profit-share revenue, milestones, sublicense revenue and other contingent payments) to third parties for use of any Intellectual Property. Except for non- negotiated, non-exclusive licenses to off-the-shelf generally commercially available software with annual license fees under $25,000 or any other Standard Business Agreements, Section 4.13(l) of the Company Disclosure Schedule sets forth a list and description of any payments or other monetary consideration (in any form, including royalties, profit-share revenue, milestones, sublicense revenue and other contingent payments) required to be made by the Company to any third party for use of any Intellectual Property.

(m) No Governmental Authority has any right to (including any "step-in" or "march-in" rights with respect to), ownership of, or right to royalties or other payments for, or to impose any requirement on the manufacture or commercialization of any product incorporating, any Company Intellectual Property owned or exclusively licensed to the Company. Without limiting the generality of the foregoing, no invention claimed or covered by any patent or patent application within the Company Controlled Intellectual Property (i) was conceived or reduced to practice in connection with any research activities funded, in whole or in part, by the federal government of the United States or any agency thereof, (ii) is a "subject invention" as that term is described in 35 U.S.C. Section 201(e) or (iii) is otherwise subject to the provisions of the Bayh-Dole Act or any similar Law of any other jurisdiction, including with respect to any patent or patent application that is part of the Company Controlled Intellectual Property. No funding, facilities, or employee or independent contractor of any educational or research institution were used, directly or indirectly, to develop or create in whole or in part, any of the Company Controlled Intellectual Property, and no educational institution has any right to, or right to royalties for, or to impose any requirement on the manufacture or commercialization of any product incorporating, any Company Controlled Intellectual Property. The Company Intellectual Property constitutes all of the Intellectual Property necessary to operate the Business.

(n) None of the assets transferred pursuant to the Asset Transfer and Assumption Agreement (i) is or was necessary or reasonably useful for the conduct of the Business as conducted prior to the Closing or as currently planned by the Company to be conducted, or (ii) constitutes Company Intellectual Property that is otherwise applicable to or incorporated or embodied in any of the Company Products.

Section 4.14 Material Contracts.

(a) Section 4.14(a) of the Company Disclosure Schedule lists each of the following Contracts (other than Company Benefit Plans and other than Contracts with respect to Leased Real Property) in effect as of the date of this Agreement to which the Company is a party, by which it is or any of its assets are bound, or by which any Affiliate of Company is bound with respect to any Company Product or any research or development relating thereto (each, a "Company Material Contract" and collectively, the "Company Material Contracts"):

(i) any indenture, credit agreement, loan agreement, security agreement, guarantee, note, mortgage or other evidence of Debt or agreement providing for Debt;

(ii) any Contract containing a covenant not to compete restricting the ability of the Company to compete in any line of business or in geographic area or during any period of time;

(iii) any Contract which creates a partnership or joint venture or similar arrangement;

(iv) each Lease;

(v) any stockholders, investors rights or similar Contracts;

(vi) any collective bargaining or other similar labor or union Contracts;

(vii) any Contract providing for retention payments, change of control payments, accelerated vesting or any other payment or benefit to any Person that may or will become due as a result of any of the transactions contemplated by this Agreement;

(viii) any independent contractor agreement, consulting agreement or similar Contract with any current Service Provider that is not immediately terminable at will by the Company without notice, severance or other cost or liability;

(ix) any Contract relating to the acquisition, transfer, use, development, sharing or license of any technology or any Intellectual Property, other than Standard Business Agreements;

(x) any Contracts, other than Contracts made in connection with this Agreement and the Asset Transfer and Assumption Agreement, relating to (i) the disposition of the Business or any assets of the Company (other than sales of inventory in the ordinary course of business), (ii) the purchase or sale or transfer of any outstanding Company Capital Stock, (iii) any merger, consolidation or business combination involving the Company, or (iv) restructuring or sale of the Company, its assets or the Business;

(xi) any Contract that contains an option or grants any right of first refusal or right of first offer, right of first negotiation or similar right in favor of a party other than the Company or that limits or purports to limit the ability of the Company to own, operate, sell, transfer, pledge or otherwise dispose of any material amount of assets or businesses;

(xii) any Contracts under which the Company has agreed to indemnify third parties (other than in the ordinary course of business) or which provide for earnouts or other contingent liabilities;

(xiii) any Contract under which (A) any Person has directly or indirectly guaranteed any liabilities or obligations of the Company or (B) the Company has guaranteed liabilities or obligations of any other Person (in each case other than endorsements for the purposes of collection in the ordinary course of business consistent with past practice);

(xiv) any Contract with any Related Person other than confidentiality agreements, employment agreements or consulting agreements entered into in the ordinary course of business consistent with past practice;

(xv) any confidentiality agreements with parties other than employees other than agreements entered into with Service Providers in the ordinary course of business consistent with past practice;

(xvi) any agreements which purport to bind Affiliates of the Company to any material obligation;

(xvii) any Contract that results in any Person holding a power of attorney from the Company other than any such Contract entered into in the ordinary course of business;

(xviii) Contracts (pursuant to which the Company or any other party thereto has continuing obligations) involving the payment of royalties or other amounts calculated based upon the revenues or income of the Company or income or revenues related to any Company Product;

(xix) each joint development agreement, joint venture agreement, collaboration agreement or similar such Contract relating to Company Products or inventions of the Company included in the Company Intellectual Property;

(xx) each Contract pursuant to which a third party manages or provides services in connection with clinical trials relating to any Company Product;

(xxi) each Contract relating to Company Products (i) in which the Company has granted development rights, "most favored nation" pricing provisions or marketing or distribution rights relating to any product or product candidate or (ii) in which the Company has agreed to purchase a minimum quantity of goods relating to any product or product candidate or has agreed to purchase goods relating to any product or product candidate exclusively from a certain party;

(xxii) each Contract pursuant to which the Company obtains the Company Products or any components thereof and each Contract related to the manufacturing of the Company Products;

(xxiii) any Contract explicitly requiring payments by the Company in excess of $100,000 in the current fiscal year;

(xxiv) any Contract with a Governmental Authority;

(xxv) any Contract explicitly providing for receipts by the Company in excess of $50,000 in the current fiscal year;

(xxvi) all Contracts involving the payment of royalties or other amounts calculated based upon the revenues or income of Company, or income or revenues related to any product of Company;

(xxvii) any Contract: (1) relating to the employment of, or the performance of services by, any employee, contractor, or consultant of the Company or its Subsidiaries, other than any at-will employment or services agreement providing no severance or other-post-termination benefits (other than continuation coverage required by law) or standard agreements pertaining to confidentiality and invention assignment on the Company's standard forms therefor (which standard forms have been made available to Purchaser); or (2) pursuant to which the Company or its Subsidiaries is or may become obligated to make any severance, termination or similar payment to any current or former employee, director of the Company, individual consultants, contractors; or (3) pursuant to which the Company is or may become obligated to make any bonus or similar payment (other than payments constituting base salary) in excess of $100,000 to any current or former employee, director, individual consultants, or contractors; and

(xxviii) all Contracts with Major Suppliers.

(b) Neither the Company, nor to the Knowledge of the Company, any other party to any Company Material Contract, is in breach of or default under any Company Material Contract in a way that materially adversely affects the rights of the Company and, to the Knowledge of the Company, no event has occurred that (with or without notice or lapse of time) will, or would reasonably be expected to (i) result in a violation, breach or penalty under any of the material provisions of any Company Material Contract, (ii) give any Person the right to declare a default or exercise any remedy under any Company Material Contract, (iii) give any Person the right to accelerate the maturity or performance of any such Company Material Contract, or (iv) give any Person the right to cancel, terminate or modify any Company Material Contract. The Company has not received any written notice or claim of any breach or default from the counterparty to any Company Material Contract. Each Company Material Contract is in full force and effect and is valid, binding and enforceable against the Company in accordance with its terms, subject to the Enforceability Exceptions. True and complete copies of each written Company Material Contract have been made available to Purchaser prior to the date of this Agreement.

Section 4.15 Real Property. The Company does not own any real property. Section 4.15 of the Company Disclosure Schedule sets forth a true and complete list of all of the real property that is leased by the Company (the "Leased Real Property"). The Company has a valid, binding and enforceable leasehold interest in each Leased Real Property as provided in the applicable lease (a "Lease"), free and clear of any Encumbrances other than Permitted Encumbrances. The Company (a) is not in material violation of any Lease and (b) has not been informed in writing that the lessor under any Lease has taken action or threatened to terminate the Lease before the expiration of the Lease, and, to the Knowledge of the Company, no other party to any Lease is in violation of such Lease. The Company has not assigned any Lease or subleased, sublicensed, or otherwise granted to any Person, the right to use or occupy any Leased Real Property.

Section 4.16 Company Property.

(a) The Company has good and marketable, indefeasible, fee simple title to, or in the case of leased property and assets, has valid leasehold interests in, all personal property and assets reflected on the latest balance sheet included in the Company Financial Statements or acquired after August 31, 2020, except for properties and assets sold since such date in the ordinary course of business consistent with past practice. None of such property or assets is subject to any Encumbrances (other than Permitted Encumbrances).

(b) All tangible assets owned or leased by the Company have been maintained in all material respects in accordance with generally accepted industry practice and are in all material respects in good operating condition and repair, ordinary wear and tear excepted.

(c) To the Company's Knowledge, all of the inventory of the Company Products is in good condition and free of any material defect or deficiency, is not obsolete, is useable in the ordinary course of the Business as currently being conducted.

This Section 4.16 does not relate to any real property or interests in real property, such items being the subject of Section 4.15, or to Intellectual Property, such items being the subject of Section 4.13.

Section 4.17 Insurance. Section 4.17 of the Company Disclosure Schedule sets forth a true and complete list of all insurance policies relating to the assets, Business, operations, employees, officers or directors of the Company in effect as of the date of this Agreement. The Company has made available to Purchaser true and complete copies of all such policies. All such policies are in full force and effect, and all premiums with respect thereto covering all periods have been paid, and no written notice of pending cancellation or termination has been received with respect to any such policy. There are no pending claims under any such policies. Such policies are of the type and in amounts customarily carried by Persons conducting businesses similar to those of the Company.

Section 4.18 Finder's Fee. Except as detailed and set forth in Section 4.18 of the Company Disclosure Schedule (for each Person identified therein, an accurate and complete copy of whose engagement agreement has been provided to Purchaser and whose fees and expenses shall be treated as an Unpaid Company Transaction Expense hereunder), the Company has not incurred any Liability to any party for any brokerage, investment bankers' or finders' fees or commissions in connection with the transactions contemplated by this Agreement.

Section 4.19 Affiliate Transactions. No present or former director, officer, employee, record or beneficial owner of five percent (5%) or more of the Company Capital Stock, Affiliate or "associate", or members of any of their "immediate family" (as such terms are respectively defined in Rule 12b-2 and Rule 16a-1 of the Exchange Act), of the Company (each of the foregoing, a "Related Person"), other than in its capacity as a director, officer or employee of the Company (i) is or was involved, directly or indirectly, in any business arrangement, transaction, Contract or other relationship (whether written or oral) with the Company or any assets or property thereof, (ii) directly or indirectly owned or owns, or otherwise had or has any right, title, claim, interest in, to or under, any asset, property or right, tangible or intangible, that is used by the Company (iii) is or was engaged, directly or indirectly, in the conduct of the Business of the Company, (iv) has any claim or cause of action against the Company or (v) owes any money to, or is owed any money by, the Company, other than for advances made to directors or officers of the Company in the ordinary course of business to meet reimbursable business expenses reasonably anticipated to be incurred by such individuals.

Section 4.20 Privacy and Information Security.

(a) The Company is and has been, except as would not reasonably be expected to be material to the Company, in compliance with (i) all applicable Laws relating to the privacy of patient medical records and all other personal information and personal data, including with respect to the collection, storage, use, sharing, transfer, disposition, protection and processing thereof (including in connection with any pre-clinical trials conducted with respect to any Company Product), and (ii) all privacy policies, information security policies and other privacy notices of the Company relating to the privacy of patient medical records and all other personal information and personal data. There have not been any (A) proceedings or investigations initiated by any other Person against the Company (including any investigation by any Governmental Authority) or (B) any claims, notices, audits or complaints asserted by any other Person (including any Governmental Authority) in writing, or to the Knowledge of the Company, orally, regarding any collection or use of any patient medical records or other personal information or personal data by or on behalf of the Company or any violation of applicable Laws relating to the privacy of patient medical records and all other personal information and personal data, and the Company has not received any written notices, correspondence or other communications from any Person alleging any of the foregoing. The Company has complied with all contractual and legal requirements of the Company pertaining to privacy and security with respect to the privacy of patient medical records and all other personal information and personal data, except as would not reasonably be expected to be material to the Company. All Personal Data that is or was used in any of the pre-clinical or clinical trials conducted with respect to the Company Products may be used by the Company immediately after the Closing in the same manner as used by the Company prior to the Closing. The Company is not a covered entity or business associate, as those terms are defined under HIPAA, nor is the Company subject to any business associate contract as described under HIPAA. The Company has not, to the Knowledge of the Company, except as would not reasonably be expected to be material to the Company, experienced any security breach or other security incident resulting in the unauthorized access to, or unauthorized use or disclosure of, Personal Data maintained by the Company, or unauthorized access to Company Systems.

(b) The computer systems, including software, used by the Company in the conduct of the Business (collectively, the "Company Systems") are sufficient in capacity and amount for the Business as currently conducted. Except as would not reasonably be expected to be material to the Company, the Company maintains commercially reasonable security, disaster recovery and business continuity plans, procedures and facilities. In the last eighteen (18) months, there have not been any failures, breakdowns, continued substandard performance or other adverse events affecting any such Company Systems that have caused substantial disruption or interruption in or to the use of such Company Systems and/or the conduct of the Company's business and to the Knowledge of the Company, there have been no material failures with respect to any of the Company Systems that have not been remedied or replaced in all material respects. Except as would not reasonably be expected to be material to the Company, the Company has taken reasonable actions to protect the security and integrity of the Company Systems within its possession or otherwise in its operational control and the sensitive or confidential data stored or contained therein or transmitted thereby including, without limitation, procedures designed to prevent unauthorized access and the introduction of a virus and the taking and storing on-site and off-site of back-up copies of critical data. Except as would not reasonably be expected to be material to the Company, there have been no unauthorized intrusions or breaches of the security of the Company Systems, including any such intrusions or breaches resulting in unauthorized access to, or destruction or acquisition of, any sensitive or confidential data or other information contained therein.

Section 4.21 Regulatory Matters.

(a) The Company is and, since its incorporation, has been in material compliance with all Health Care Laws applicable to the Company or Company Products, and the Company has not, since its incorporation, engaged in activities which are, as applicable, cause for civil penalties, or mandatory or permissive exclusion from any government healthcare program. The Company has not received any written notification, correspondence or any other written (or, to the Company's Knowledge, oral) communication, including any such notification of any pending or threatened Action from any court, arbitrator, third-party or Governmental Authority, including, without limitation, the FDA, the Centers for Medicare & Medicaid Services, the U.S. Department of Justice, or the U.S. Department of Health and Human Services Office of Inspector General, of potential or actual non-compliance by, or Liability of, the Company under any Health Care Laws, and to the Company's Knowledge, no such Action is threatened, in writing. To the Company's Knowledge, there are no facts or circumstances that would reasonably be expected to give rise to Liability of the Company under any Health Care Laws. The Company is not a party to and does not have any ongoing reporting obligations pursuant to or under any Governmental Order or corporate integrity agreements, deferred prosecution agreements, monitoring agreements, consent decrees, settlement orders, plans of correction or similar agreements with or imposed by any Governmental Authority.

(b) The Company owns all inventory of the Company Products. Section 4.21(b) of the Company Disclosure Schedule sets forth a true and complete list of (i) all quantities of inventory of the Company Products in excess of 100 mg, (ii) where such inventory is located, and (iii) the name of the Company Affiliate or other Person that possesses such inventory as of the date of this Agreement.

(c) All Company Products are being, and at all times have been, developed, tested, labeled, manufactured, stored, imported, exported and distributed, as applicable, in compliance in all material respects with all applicable Laws, including, to the extent applicable, the Health Care Laws administered by the FDA, and all similar Laws of any other jurisdiction applicable to the Company or the Company Products, including, as applicable, those Laws relating to current good manufacturing practices, good laboratory practices and good clinical practices.

(d) The clinical, pre-clinical and other studies and tests conducted by or on behalf of, at the direction of, or sponsored by the Company or in which the Company or the Company Products have participated were and, if still pending, are being conducted in all material respects in accordance with all applicable Laws, including, but not limited to, the Federal Food, Drug and Cosmetic Act and its applicable implementing regulations at 21 C.F.R. Parts 50, 54, 56, 58 and 312. Except as set forth in Section 4.21(d) of the Disclosure Schedule, no investigational new drug application has been filed by or on behalf of the Company with the FDA or any applicable Governmental Authority in any other jurisdiction with respect to any Company Product. No investigational new drug application filed by or on behalf of the Company with the FDA or any applicable Governmental Authority has been placed on clinical hold by the FDA, and neither the FDA nor any other Governmental Authority has commenced, or, to the Knowledge of the Company, threatened to initiate, any action to place a clinical hold order on, or otherwise terminate, delay or suspend, any proposed or ongoing clinical investigation conducted or proposed to be conducted by or on behalf of the Company. Except as set forth in Section 4.21(d) of the Disclosure Schedule, all regulatory filings submitted in connection with any clinical study conducted by or on behalf of, at the direction of, or sponsored by the Company or in which the Company or the Company Products have participated (each, a "Clinical Study") in any jurisdiction have been filed in the Company's name. With respect to each Clinical Study, except as set forth in Section 4.21(d) of the Disclosure Schedule, Haisco and any Person managing such Clinical Study have (i) transferred to Company all documents, data, and other records relating to such Clinical Study and (ii) transferred to Company all inventory of Company Product or any active ingredient incorporated into any Company Product held for use in connection with such Clinical Study.

(e) Neither the Company nor any Affiliate of the Company has entered into any Contract with any third party to develop, promote or market any Company Product or that otherwise grants such third party any license to develop, manufacture, supply, distribute, market, commercialize, sell, offer, import or otherwise commercialize any Company Product.

(f) None of the Company or any of its officers, employees or, to the Company's Knowledge, agents, or Persons with an ownership interest of five percent (5%) or more of the Company, has been convicted of any crime or engaged in any conduct that has resulted, or would reasonably be expected to result, in exclusion, suspension, debarment or ineligibility to participate in any government program under applicable Law, including, 21 U.S.C. Section 335a, and 42 U.S.C. 1320a-7. No Governmental Orders or Actions that would reasonably be expected to result in such a debarment, suspension, ineligibility, or exclusion of the Company are pending or, to the Company's Knowledge, threatened, against the Company or any of its officers, employees, or agents or Person with an ownership interest of five percent (5%) or more of the Company.

(g) The Company has not had any Company Product or manufacturing site (whether Company-owned or that of a Contract manufacturer for the Company Products) subject to a Governmental Authority (including FDA or other Governmental Authority) shutdown or import or export prohibition, nor received any warning letter or untitled letter, report of inspectional observations, including FDA Form 483s, establishment inspection reports, notices of violation, clinical holds, enforcement notices, recall notices or other documents from any Governmental Authority, or any domestic or foreign institutional review board, privacy board or ethics committee approving any clinical trial involving any Company Product (a "Review Board") or similar body, alleging a lack of compliance by the Company with any applicable Laws, Permits, or requests or requirements of a Governmental Authority, and to the Knowledge of the Company, no Governmental Authority is considering such action.

(h) Section 4.21(h) of the Company Disclosure Schedule sets forth a list of (i) all recalls, field notifications, field corrections, market withdrawals or replacements, safety alerts or other notice of action relating to an alleged lack of safety, efficacy, or regulatory compliance of the Company Products ("Safety Notices") since the date of the Company's incorporation; and (ii) the dates such Safety Notices, if any, were resolved or closed.

(i) The Company has made available to Purchaser complete and accurate copies of (i) all filings with the FDA, EMA or equivalent Governmental Authority relating to all Company Products, (ii) all material correspondence with the FDA, EMA or equivalent Governmental Authority relating to all Company Products and (iii) all material, data, information, results, analyses, publications, and reports relating to all Company Products, including all clinical trial protocols, trial statistical analysis plans and published trial results. The foregoing materials are true and correct in all material respects of the matters reflected therein.

(j) The registration and regulatory files, dossiers and supporting materials of the Company with respect to the Company Products have been maintained in all material respects in accordance with all applicable Law. None of the filings, communications, documents and other information submitted by or on behalf of the Company to the FDA, EMA, an equivalent Governmental Authority or to any Review Board relating to any Company Product contained any untrue statement of a material fact or fraudulent statement or omitted to state any material fact necessary to make the statements therein not misleading Neither the Company nor any of its officers, employees, nor, to the Company's Knowledge, agents has committed any other act, or made a statement, or failed to make a statement that could reasonably be expected to provide a basis for the FDA or any other Governmental Authority to invoke its policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities" set forth in 56 Fed. Reg. 46191 (September 10, 1991) or any similar policy.

Section 4.22 Anticorruption Matters; Export Controls and Sanctions Matters.

(a) Neither the Company, nor any of its officers, directors, employees, nor, to the Company's Knowledge, agents or other Persons acting on its behalf has, directly or indirectly, (i) taken any action in violation of any applicable anticorruption Law, including the U.S. Foreign Corrupt Practices Act ("FCPA") (15 U.S.C. § 78 dd-1 et seq.), or (ii) offered, paid, given, promised to pay or give, or authorized the payment or gift of anything of value, directly or indirectly, to any Public Official, for purposes of unlawfully (A) influencing any act or decision of any Public Official in his or her official capacity, (B) inducing such Public Official to do or omit to do any act in violation of his lawful duty, (C) securing any improper advantage or (D) inducing such Public Official to use his or her influence with a Governmental Authority, or commercial enterprise owned or controlled by any Governmental Authority (including state-owned or controlled veterinary or medical facilities), in order to assist the Company or any Person related to the Company, in obtaining or retaining business. None of the officers, directors or employees of the Company are themselves Public Officials. There have been no false or fictitious entries made in the books or records of the Company relating to any payment that the FCPA prohibits, and the Company has not established or maintained a secret or unrecorded fund for use in making any such payments. There are no pending or, to the Company's Knowledge, threatened claims, charges, investigations, violations, settlements, civil or criminal enforcement actions, lawsuits, or other court actions against the Company with respect to violation of any applicable anticorruption Law, including the FCPA, relating to the Company. The Company has ethics policies that address and prescribe compliance with applicable anticorruption Laws, including the FCPA.

(b) Neither the Company, nor any of the Representatives of the Company acting on its behalf has, directly or indirectly, taken any action in violation of any applicable export control Law, trade or economic sanctions Law, or antiboycott Law, in the U.S. or any other jurisdiction, including: the Arms Export Control Act (22 U.S.C.A. § 2278), the Export Administration Act (50 U.S.C. App. §§ 2401-2420), the International Traffic in Arms Regulations (22 C.F.R. 120-130), the Export Administration Regulations (15 C.F.R. 730 et seq.), the Office of Foreign Assets Control Regulations (31 C.F.R. Chapter V), the Customs Laws of the United States (19 U.S.C. § 1 et seq.), the International Emergency Economic Powers Act (50 U.S.C. § 1701-1706), the U.S. Commerce Department antiboycott regulations (15 C.F.R. 560), the U.S. Treasury Department antiboycott requirements (26 U.S.C. § 999), any other export control regulations issued by the agencies listed in Part 730 of the Export Administration Regulations, or any applicable non-U.S. Laws of a similar nature. Neither the Company, nor any of the Representatives of the Company acting on its behalf, is listed on the U.S. Office of Foreign Assets Control "Specially Designated Nationals and Blocked Persons" or any other similar list. The Company has ethics policies that address and prescribe compliance program appropriate to ensure compliance with the Laws identified in this Section 4.22.

Section 4.23 Major Suppliers. Section 4.23 of the Company Disclosure Schedule lists the ten (10) largest suppliers (measured by invoiced dollars) of the Business for the fiscal year ended December 31, 2020 ("Major Suppliers") and the dollar amount of business conducted with each Major Supplier in such year. The Company is not engaged in any dispute with any Major Supplier, the Company is not in material breach of or in default of any agreement with any of the Major Suppliers, to the Company's Knowledge, no Major Supplier intends to cancel or otherwise substantially modify its relationship with the Company or to decrease materially or limit its services, supplies or materials to the Company, and to the Company's Knowledge, the consummation of the transactions contemplated hereby will not adversely affect the relationship of Purchaser or the Company with any Major Supplier.

Section 4.24 Products Liability.

(a) No claim has been made or threatened in writing to the Company in connection with the product liability of any Company Product and no Governmental Authority has commenced or threatened in writing to initiate any Action or requested the recall of any Company Product, or commenced or threatened in writing to initiate any Action to enjoin the production of any Company Product, and to the Company's Knowledge, there is no basis for any such claim or Action, nor any reason to believe that any Governmental Authority is considering such Action.

(b) The Company Products supplied by or on behalf of the Company have complied in all material respects with all Laws and with all government, trade association and other mandatory and voluntary requirements, specifications and other forms of guidance.

(c) No customer of the Company has complained in writing to the Company of any quality, design, engineering or safety issue with respect to any Company Product that could materially and adversely impact the Business.

No Company Product developed, used, manufactured or sold by or on behalf of the Company prior to the Closing contained or will contain any material quality, design, engineering, manufacturing or safety defect.

Section 4.25 No Additional Representations. Except as otherwise expressly set forth in this Article IV or in the Exhibits attached to this Agreement, the Company expressly disclaims any representations or warranties of any kind or nature, express or implied, including any representations or warranties of the Company, its business or operations or otherwise in connection with this Agreement or the transactions contemplated hereby.

(b) Without limiting the generality of the foregoing, neither the Company or the Seller has made any representations or warranties, express or implied, other than those set forth in this Agreement and in the Exhibits attached to this Agreement, in the materials relating to the business and affairs of the Company that have been made available to Purchaser, including diligence materials, or in any presentation of the business and affairs of the Company by the management of the Company or others in connection with the transactions contemplated hereby, and no statement contained in any of such materials or made in any such presentation shall be deemed a representation or warranty hereunder or otherwise or deemed to be relied upon by Purchaser in executing, delivering and performing this Agreement and the transactions contemplated hereby. It is understood that any cost estimates, projections or other predictions, any data, any financial information or any memoranda or offering materials or presentations, including but not limited to, any offering memorandum or similar materials made available by the Company and its representatives, are not and shall not be deemed to be or to include representations or warranties of the Company, and are not and shall not be deemed to be relied upon by Purchaser in executing, delivering and performing this Agreement and the transactions contemplated hereby.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Purchaser as follows:

Section 5.1 Power and Authority; Organization and Standing. Seller has full corporate power and authority to enter into and perform this Agreement and all documents and instruments executed by Seller in connection with this agreement, including all Ancillary Documents to which Seller is a party (all such documents and instruments, collectively, "Seller's Ancillary Documents"). Seller is an exempted company duly incorporated with limited liability, validly existing and in good standing under the Laws of the Cayman Islands.

Section 5.2 Execution and Delivery. This Agreement and Seller's Ancillary Documents have been duly executed and delivered by Seller and constitute legal, valid and binding agreements of Seller, enforceable against Seller in accordance with their terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or any other similar Law affecting creditors' rights generally or by general principles of equity.

Section 5.3 Ownership. Seller is the record and beneficial owner of all of the Shares, free and clear of all Liens (other than those Liens arising solely pursuant to applicable federal and state securities laws). Seller does not own any equity securities of the Company other than the Shares.

Section 5.4 Conflicts. Neither the execution and delivery of this Agreement and Seller's Ancillary Documents by Seller, nor the consummation by Seller of the transactions contemplated hereby or thereby (i) violates, is in conflict with, accelerates the performance required by, requires any notice or constitutes a default (or an event which, with notice or lapse of time or both, would constitute a default) under any Contract to which Seller is a party or by which Seller is bound, in any material respect
(ii) violates any Law or any Order of any court or other Governmental Authority applicable to Seller in any material respect, (iii) violates, is in conflict with or constitutes a breach of any of the terms, conditions or provisions of the Company's or Seller's Organizational Documents in any material respect, or (iv) results in the creation of any Lien upon any property (including the Shares) of Seller under any Contract to which Seller is a party.

Section 5.5 Brokers and Finders. Neither Seller nor any of its Affiliates has retained, engaged or entered into any Contract with any Person who is or will be entitled to a broker's commission, finder's fee, investment banker's fee or similar payment in connection with (i) the negotiation, execution or performance of this Agreement or (ii) introducing the parties hereto to each other.

Section 5.6 Proceedings. There is no Proceeding pending or, to Seller's knowledge, threatened, against Seller or its officers or directors: (a) with respect to or affecting Seller's ability to perform its obligations hereunder, or (b) that is reasonably likely to prohibit or restrict the performance of this Agreement and Seller's Ancillary Documents by Seller.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to the Company, as of the date hereof and as of the Closing, as follows:

Section 6.1 Corporate Status. Purchaser (a) is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation, (b) has all requisite power and authority to carry on its business as it is now being conducted and (c) is duly qualified to do business and is in good standing in each of the jurisdictions in which the ownership, operation or leasing of its properties and assets and the conduct of its business requires it to be so qualified, licensed or authorized, except for those jurisdictions where the failure to be so qualified, licensed or authorized would not have a Material Adverse Effect on Purchaser or materially impair the ability of Purchaser to consummate the transactions contemplated by this Agreement.

Section 6.2 Authority. Purchaser has all necessary corporate power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement by Purchaser, the performance by Purchaser of its obligations hereunder, and the consummation by Purchaser of the transactions contemplated by this Agreement, have been duly authorized by the Board of Directors (or equivalent governing body) of Purchaser, and no other corporate action on the part of Purchaser is necessary to authorize the execution and delivery of this Agreement by Purchaser, the performance by Purchaser of its obligations hereunder or the consummation by Purchaser of the transactions contemplated by this Agreement. This Agreement has been duly executed and delivered by Purchaser and (assuming due authorization, execution and delivery by the other Parties to this Agreement) constitutes a valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, subject to the Enforceability Exceptions.

Section 6.3 No Conflict; Government Authorization.

(a) The execution and delivery of this Agreement, the performance by Purchaser of its obligations hereunder and the Ancillary Documents to which Purchaser is or will be a party, and the consummation by Purchaser of the transactions contemplated by this Agreement and the Ancillary Documents to which Purchaser is or will be a party, does not and will not (i) conflict with, or result in any violation of the Organizational Documents of Purchaser; (ii) subject to the matters described in Section 6.3(b), conflict with or result in a violation of any material Permit or Law applicable to Purchaser, or any of its assets; or (iii) result in a material breach of, or constitute a material default (or event which with the giving of notice or lapse of time, or both, would become a material default) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a benefit under, or result in the creation of any Encumbrance (not including Permitted Encumbrances) upon any of the rights or assets of Purchaser pursuant to, any Contract to which Purchaser is a party or by which it is bound or affected.

(b) No consent of, or registration, declaration, notice or filing with, any Governmental Authority is required to be obtained or made by Purchaser in connection with the execution, delivery and performance of this Agreement and the Ancillary Documents to which Purchaser is or will be a party or the consummation of the transactions contemplated hereby or thereby, other than any filings required under state securities Laws.

Section 6.4 Legal Proceedings. There are no Actions pending by or against, or to the knowledge of Purchaser, threatened against, Purchaser, or any of the directors or officers of Purchaser in their capacity as directors or officers of Purchaser that would have a material adverse effect on the ability of Purchaser to perform its respective obligations under this Agreement or consummate the transactions contemplated by this Agreement. Purchaser is not subject to any Governmental Order that would prevent Purchaser from performing its obligations under this Agreement or consummating the transactions contemplated by this Agreement.

Section 6.5 Finder's Fee. Purchaser has not incurred any Liability to any party for any brokerage, investment bankers' or finders' fees or commissions in connection with the transactions contemplated by this Agreement.

Section 6.6 Cash Resources. Purchaser has sufficient cash resources to pay the Consideration provided for in this Agreement.

Section 6.7 Independent Investigation; No Further Representations. Purchaser acknowledges (for itself and on behalf of its Affiliates and the Representatives of any of the foregoing) that it has conducted and completed its own investigation, analysis and evaluation of the Company, that it has made all such reviews and inspections of the financial condition, business, results of operations, properties and assets of the Company as it has deemed necessary or appropriate, that it has had the opportunity to request all information it has deemed relevant to the foregoing from the Company and has received responses it deems adequate and sufficient to all such requests for information, and that in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby it has relied solely on its own investigation, analysis and evaluation of the Company and the express terms of this Agreement, including the representations and warranties set forth in Article IV. Without waiving, amending or limiting the express terms of this Agreement (including Article IV), Purchaser acknowledges that neither the Company, the Sellers, nor any other Person makes, or has made, any representation or warranty, express or implied, relating to the Company or any of its businesses or operations or otherwise in connection with this Agreement or the transactions contemplated hereby outside of this Agreement and the Exhibits attached to this Agreement and Purchaser represents that it is not relying on such representations or warranties in connection with entering into this Agreement or the transactions contemplated hereby.

ARTICLE VII
ADDITIONAL AGREEMENTS

Section 7.1 Further Action. Subject to the terms and conditions provided in this Agreement, each of the Parties to this Agreement shall use its commercially reasonable efforts to deliver, or cause to be delivered, such further certificates, instruments and other documents, and to take, or cause to be taken, such further actions, as may be necessary, proper or advisable under applicable Law to consummate and make effective the transactions contemplated by this Agreement.

Section 7.2 Tax Covenants.

(a) Tax Returns. The Company shall prepare and timely file (or cause to be prepared and timely filed) any Tax Return required to be filed by the Company after the date hereof and on or before the Closing Date, and timely pay any Tax reflected thereon; *provided*, *however*, the Company will submit any such Tax Returns for income or other material Taxes to Purchaser for review and comment at least twenty (20) days prior to the due date for filing such Tax Return, and will consider in good faith any reasonable comments received in writing within ten (10) days of the Company's delivery of such Tax Return to Purchaser. Purchaser shall prepare (or cause to be prepared) in a manner consistent with the Company's past practice, unless otherwise required by applicable Law, and file (or cause to be filed) all Tax Returns of the Company for all periods or portions thereof ending on or before the Closing Date that are required to be filed after the Closing Date ("Purchaser Prepared Returns"); *provided*, *however*, Seller shall be responsible for any Taxes attributable to any Pre-Closing Tax Periods in accordance with Article IX. In the event that any Purchaser Prepared Return shows any material Pre-Closing Taxes that form the basis for a claim of indemnification against Seller pursuant to this Agreement, Purchaser shall deliver to Seller a draft of each such Tax Return at least twenty (20) days prior to the date such Tax Return is to be filed, and shall permit Seller to review and comment on such Tax Returns and shall incorporate any reasonable comments received in writing within ten (10) days of Purchaser's delivery of such Tax Return to Seller. The Parties agree that the value of the assets transferred pursuant to the Asset Transfer and Assumption Agreement is [***], and shall prepare all Tax Returns consistent with such agreement unless otherwise required by a "determination" within the meaning of Section 1313(a) of the Code. All tax deductions arising from the consummation of the transactions contemplated by this Agreement (including any Unpaid Company Transaction Expenses) shall be reported in a Pre Closing Tax Period to the maximum extent allowable under applicable Law.

(b) Cooperation on Tax Matters. Purchaser, the Company and Seller shall each cooperate fully, as and to the extent reasonably requested by each Party, in connection with the filing of Tax Returns pursuant to this Agreement and any Tax Proceeding with respect to Taxes attributable to any Pre-Closing Tax Period. Such cooperation shall include the retention and (upon the relevant Party's request) the provision of records and information which are reasonably relevant to any such Tax Proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

(c) Transfer Taxes. All Transfer Taxes arising out of or in connection with the transactions contemplated by this Agreement shall be borne one-half by Seller and one-half by Purchaser, and the Party that is required by applicable Law to file any necessary Tax Returns and other documentation with respect to such Transfer Taxes shall file such Tax Returns in accordance with applicable Law. The Parties shall cooperate in timely filing such Tax Returns, including such Tax
Returns Seller is not permitted to file under applicable Law. Upon request, the filing Party shall provide evidence satisfactory to the non-filing Party that such Tax Returns have been duly and timely filed and the relevant Transfer Taxes duly and timely paid, and the non-filing Party shall promptly reimburse the filing Party for any Taxes so borne by the non-filing Party.

(d) Tax Proceedings. If, subsequent to the Closing, Purchaser or the Company receives notice of a Tax Proceeding with respect to any Tax Return for a Pre-Closing Tax Period, then within fifteen (15) days or reasonable period after receipt of such notice, Purchaser shall notify Seller of the same and provide Seller with a copy of such notice. Purchaser shall have the right to control the conduct and resolution of such Tax Proceeding, *provided*, *however*, that Purchaser shall keep Seller reasonably informed of the progress of such Tax Proceeding and Seller shall have the right to participate (at Seller's own expense) in such Tax Proceeding. Neither Purchaser, the Company nor any of their Affiliates shall settle, resolve, concede or otherwise compromise any issue, matter or item arising in such Tax Proceeding related to a Pre-Closing Tax Period that would give rise to an indemnity claim pursuant to this Agreement without obtaining Seller's prior written consent thereto, which shall not be unreasonably withheld, conditioned or delayed. In the event of any conflict or overlap between the provisions of this Section 7.2(d) and Article IX, the provisions of this Section 7.2(d) shall control.

(e) FIRPTA Certificate. The Company shall deliver to Purchaser at the Closing a certificate executed by a duly authorized representative of the Company, dated as of the Closing Date, in accordance with Treasury Regulations Section 1.897-2(h) for purposes of satisfying the requirements of Treasury Regulations Sections 1.1445-2(c)(3), to the effect that Company is not and has not been within the last five (5) years a "United States real property holding corporation" within the meaning of Section 897 of the Code.

(f) Unless otherwise required by applicable Law, without the prior written consent of Seller (which consent shall not be unreasonably withheld, conditioned or delayed), Purchaser shall not, and shall not cause or permit the Company to, (i) make a Tax election that has a retroactive effect on Taxes or Tax Returns of the Company for a Pre-Closing Tax Period, (ii) amend or cause to be amended any material Tax Return of the Company for a Pre-Closing Tax Period, (iii) initiate discussions or examinations with a Tax authority or make any voluntary disclosures with respect to Taxes or Tax Returns of the Company for a Pre-Closing Tax Period, (iv) extend or waive any statute of limitations with respect to Taxes or Tax Returns of the Company for a Pre-Closing Tax Period, or (v) make an election under Sections 336(e) or 338 of the Code with respect to the transactions contemplated by this Agreement, in each case, unless the foregoing would not increase the Seller's, or the Seller's equityholders', liability for Taxes pursuant to this Agreement or otherwise.

Section 7.3 Payoff Letters and Invoices. The Company shall obtain and deliver to Purchaser no later than three (3) Business Days prior to the Closing Date: (a) payoff letters with respect to all Closing Debt for borrowed money (together with any accrued and unpaid interest thereon) and the amounts payable to the lender thereof to fully satisfy and discharge such Closing Debt in accordance with its terms (each, a "Payoff Letter") and (b) an invoice from each advisor or other service provider to the Company with respect to all Unpaid Company Transaction Expenses estimated to be due and payable to such advisor or other service provider, as the case may be, as of the Closing Date (each, an "Invoice"). At the Closing, Purchaser shall pay on behalf of the Company each of the (i) debtors pursuant to each such Payoff Letter the full amount set forth therein, and (ii) advisors or other service providers to the Company pursuant to each such Invoice the full amount set forth therein, in each case to the extent that such amounts were included in the calculation of the Estimated Initial Consideration.

Section 7.4 Termination of Employee Plans. Prior to the Closing, the Company shall terminate any Company Benefit Plan intended to be qualified under Section 401(a) of the Code, such termination to be contingent upon the Closing and effective as of no later than the day immediately preceding the Closing Date, unless Purchaser provides written notice to the Company that any such Company Benefit Plan shall not be terminated. The Company shall provide Purchaser with evidence that all such Company Benefit Plans will be terminated pursuant to resolutions of the board of directors (or similar body) of the Company or its ERISA Affiliates, as the case may be. The form and substance of such resolutions shall be subject to review and approval of Purchaser (acting reasonably). The Company also shall take such other actions in furtherance of terminating any such Company Benefit Plan as Purchaser may reasonably require. In the event that termination of such a Company Benefit Plan triggers liquidation charges, surrender charges or other fees, then such charges and/or fees shall be included in Unpaid Company Transaction Expenses and shall be the responsibility of the Company, and the Company shall take such actions as are necessary to reasonably estimate the amount of such charges and/or fees and provide Purchaser with an estimate thereof.

Section 7.5 Covenant Not to Compete. For a period of [***] following the Closing, Seller will not, directly or indirectly, in any manner (whether on his own account, or as an owner, operator, manager, consultant, officer, director, employee, investor, agent or otherwise), anywhere throughout the world (the "Applicable Area"), engage directly or indirectly in any business that is primarily focused on the discovery and development of small molecule compounds that bind to and directly modulate the target known as TYK2 (a "Competing Business"), or own any interest in, manage, control, provide financing to, participate in (whether as an owner, operator, manager, consultant, officer, director, employee, investor, agent, representative or otherwise), or consult with or render services for any Person that is engaged in a Competing Business in the Applicable Area; provided, however, nothing herein shall prohibit the Seller from (i) being a passive owner of not more than two percent (2%) of the outstanding stock of any publicly traded corporation or (ii) being a passive owner of not more than ten (10%) percent of the outstanding limited partnership interests or similar securities of any unaffiliated, third-party investment fund or investment vehicle, which shall not be deemed to be engaging solely by reason thereof in any of its portfolio companies' business.

Section 7.6 Release. Seller, for itself, and its predecessors, successors and assigns (collectively, the "Releasors"), hereby forever fully and irrevocably releases and discharges the Company, each of its subsidiaries, and each of their respective predecessors, successors, direct or indirect subsidiaries and past and present stockholders, members, managers, directors, officers, employees, agents and other representatives (collectively, the "Released Parties") from any and all actions, suits, claims, demands, debts, agreements, obligations, promises, judgments, or liabilities of any kind whatsoever in law or equity and causes of action of every kind and nature, or otherwise (including, claims for damages, costs, expense, and attorneys', brokers' and accountants fees and expenses) arising out of or related to events, facts, conditions or circumstances existing or arising prior to the Closing Date, which the Releasors can, shall or may have against the Released Parties, whether known or unknown (collectively, the "Released Claims"), and hereby irrevocably agree to refrain from directly or indirectly asserting any claim or demand or commencing (or causing to be commenced) any suit, action, or proceeding of any kind, in any court or before any tribunal, against any Released Party based upon any Released Claim. Notwithstanding the preceding sentence of this Section 7.6, "Released Claims" does not include, and the provisions of this Section 7.6 shall not release or otherwise diminish, the obligations or rights of any Party set forth in or arising under any provisions of this Agreement or the Ancillary Documents, including but not limited to the right, following the Closing, of the Seller to receive the Initial Consideration or Contingent Consideration as provided hereunder.

Section 7.7 Indemnification of Officers and Directors of the Company.

(a) For a period of [***] following the Closing, Purchaser shall, and shall cause the Company to, indemnify and hold harmless each person who is now, or has been at any time prior to the date of this Agreement or who becomes prior to the Closing, an officer, director or employee of the Company (the "Company Indemnified Parties") against all losses, claims, damages, costs, expenses, liabilities or judgments or amounts that are paid in settlement (the "Company Indemnified Liabilities") of or in connection with any claim, action, suit, proceeding or investigation by reason of the fact that such person is or was a director, officer or employee of the Company (a "Company Indemnified Proceeding"), whether pertaining to any matter existing or occurring at or prior to the Closing and whether asserted or claimed prior to, or at or after the Closing and all Company Indemnified Liabilities based on, or relating to this Agreement or the transactions contemplated hereby (to the extent that such losses, claims, damages, costs, expenses, liabilities or judgments or amounts arose from or are related to this Agreement or the transactions contemplated hereby), in each case to the fullest extent a corporation is permitted by law to indemnify its own directors, officers and employees. In the event any Company Indemnified Party is or becomes involved in any Company Indemnified Proceeding, Purchaser shall, or shall cause the Company to, pay expenses in advance of the final disposition of any such Company Indemnified Proceeding to each Company Indemnified Party to the fullest extent permitted by law upon receipt of any undertaking contemplated by Section 145 of the Delaware Law. Without limiting the foregoing, in the event any such Company Indemnified Proceeding is brought against any Company Indemnified Party, (i) the Company Indemnified Parties may retain counsel of their choosing, (ii) Purchaser shall, or shall cause the Company to, pay all reasonable and documented fees and expenses of one counsel for all of the Company Indemnified Parties with respect to each such Company Indemnified Proceeding unless there is, under applicable standards of professional conduct, a conflict on any significant issue between the positions of any two or more Company Indemnified Parties, in which case Purchaser shall pay the fees of such additional counsel required by such conflict, promptly as statements therefor are received; *provided*, *however*, that neither Purchaser nor the Company shall be liable for any settlement of any claim effected without its written consent, which consent shall not be unreasonably withheld or delayed. Any Company Indemnified Party wishing to claim indemnification under this Section 7.7(a) upon becoming aware of any such Company Indemnified Proceeding shall promptly notify Purchaser and the Company (but the failure to so notify Purchaser or the Company shall not relieve Purchaser or the Company from any liability it may have under this Section 7.7(a) except to the extent such failure materially prejudices Purchaser or the Company), and shall deliver to Purchaser and the Company the undertaking contemplated by Section 145 of Delaware Law.

(b) For a period of [***]following the Closing, Purchaser shall, and shall cause the Company to, fulfill and honor in all respects the obligations of the Company pursuant to any indemnification agreements in effect as of the Closing between the Company and the Company Indemnified Parties, subject to applicable Law. For a period of [***]following the Closing, the certificate of incorporation and bylaws of the Company will contain provisions with respect to exculpation and indemnification that are at least as favorable to the Company Indemnified Parties as those contained in the Organizational Documents as in effect on the Closing, which provisions will not be amended, repealed or otherwise modified in any manner that would adversely affect the rights thereunder of Company Indemnified Parties.

(c) This Section 7.7 is intended to be for the benefit of, and shall be enforceable by the Company Indemnified Parties and their heirs and personal representatives and shall be binding on Purchaser and the Company and its successors and assigns.

(d) Notwithstanding any other available sources of recovery, the Company Indemnified Parties shall be entitled to first seek recovery of any Company Indemnified Liabilities of or in connection with any Company Indemnified Proceeding from Purchaser or the Company, and Purchaser and the Company waive all rights of subrogation against any third party indemnitors.

(e) If Purchaser, the Company or any of their successors or assigns (i) consolidates with or merges into any other person and shall not be the continuing or Company or entity of such consolidation or merger, or (ii) transfers or conveys all or substantially all of their assets and Intellectual Property rights to any person, then, and in each such case, to the extent necessary, proper provision shall be made so that the successors and assigns of Purchaser or the Company, as the case may be, shall assume the obligations set forth in this Section 7.7.

ARTICLE VIII
CONDITIONS TO CLOSING

Section 8.1 Conditions to Obligations of Seller and the Company. The obligations of Seller and the Company to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction, fulfillment or written waiver by the Company, at or prior to the Closing, of each of the following conditions:

(a) Representations and Warranties; Covenants. (i) The representations and warranties of Purchaser set forth in this Agreement and in any certificate delivered pursuant to this Agreement shall be true and correct in all material respects (when read without any exceptions or qualification as to materiality or Material Adverse Effect) at and as of the date of this Agreement and as of the Closing Date as though then made (except that those representations and warranties that are made as of a specific date need only be true and correct as of such date), (ii) the covenants and agreements set forth in this Agreement to be performed or complied with by Purchaser at or prior to the Closing shall have been performed or complied with in all material respects, and (iii) the Company shall have received an officer's certificate of Purchaser, dated as of the Closing Date, certifying as to the matters set forth in clauses (i) and (ii) of this Section 8.1(a).

(b) No Law or Governmental Order. No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Law or Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal or otherwise restraining or prohibiting the consummation of such transactions.

(c) Asset and Liability Transfer. The Asset and Liability Transfer shall have been consummated pursuant to the terms of the Asset Transfer and Assumption Agreement in the form attached as Exhibit F.

(d) Confirmatory Assignment Agreement. The Confirmatory Assignment Agreement in the form attached hereto as Exhibit G or in a form reasonably satisfactory to Purchaser shall have been executed by the parties thereto.

Section 8.2 Conditions to Obligations of Purchaser. The obligations of Purchaser to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction, fulfillment or written waiver by Purchaser, at or prior to the Closing, of each of the following conditions:

(a) Representations and Warranties; Covenants. (i) The representations and warranties of the Company and Seller set forth in this Agreement and in any certificate delivered pursuant to this Agreement shall be true and correct as of the date of this Agreement and the Closing Date (except that those representations and warranties that are made as of a specific date need only be true and correct as of such date) in all material respects (when read without any exception or qualification as to materiality or Material Adverse Effect) (ii) the covenants and agreements set forth in this Agreement to be performed or complied with by the Company at or prior to the Closing shall have been performed or complied with in all material respects, and (iii) Purchaser shall have received an officer's certificate of the Company, dated as of the Closing Date, certifying as to the matters set forth in clauses (i) and (ii) this Section 8.2(a).

(b) No Litigation. No Action shall have been instituted, commenced, threatened or remain pending that seeks to or could reasonably be expected to (i) restrain, prevent, enjoin, prohibit or make illegal the material transactions contemplated by this Agreement, (ii) cause any of the material transactions contemplated by this Agreement to be rescinded following the Closing Date, (iii) impose material limitations on the ability of the Company to conduct its business following the Closing Date or (iv) compel Purchaser or the Company to dispose of any material portion of the Business.

(c) No Law or Governmental Action. No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Law or Governmental Order which is in effect and has the effect of making the material transactions contemplated by this Agreement illegal or otherwise restraining or prohibiting the consummation of the transactions contemplated by this Agreement.

(d) Third Party Consents. The Company shall have received all consents listed on Schedule 8.2(d), provided in a manner satisfactory to Purchaser.

(e) Effective Agreements. Purchaser shall have received the following agreements and documents, each of which shall be in full force and effect:

(i) a Director and Officer Release in the form of Exhibit C, executed by the persons listed on Schedule 8.2(e)(i);

(ii) an Employee Release in the form of Exhibit H, executed by the persons listed on Schedule 8.2(e)(ii); and

(iii) a certificate executed on behalf of the Seller by its Secretary certifying that the Seller Board Approval has been obtained and has not been revoked, rescinded or amended and are in full force and effect as of the date thereof (and attaching thereto true, correct and complete copies of the resolutions containing the Seller Board Approval).

(f) Resignation Letters. Written resignations, in a form reasonably satisfactory to Purchaser, of all directors and officers of the Company, to be effective as of the Closing.

(g) Employees. As of immediately prior to the Closing, the Company will have no employees and FronThera Pharmaceuticals will have no employees or will have entered into releases in the form of Exhibit H with its employees.

(h) Terminated Contracts. Purchaser shall have received written evidence of termination, in form and substance reasonably acceptable to Purchaser, of each of the Contracts set forth on Schedule 8.2(h).

ARTICLE IX
INDEMNIFICATION

Section 9.1 Survival of Representations. The representations and warranties made by Seller and the Company in this Agreement or in any certificate delivered pursuant to this Agreement, on the one hand, and made by Purchaser in this Agreement or in any certificate delivered pursuant to this Agreement, on the other hand, shall survive the Closing and shall expire on, and no claim for indemnification pursuant to Section 9.2(a)(i) or Section 9.2(b)(i) may be asserted after the date that is [***] after the Closing Date; *provided*, *however*, that (w) the Company Key Representations shall expire on the date that is [***] after the Closing, (x) the Company Fundamental Representations shall expire on the date that is [***] after the Closing Date, (y) the covenants contained herein to be performed by the Company at or prior to the Closing shall survive the Closing and shall expire on the shorter of (i) [***] after the applicable statute of limitations, and (ii) the date that is [***] after the Closing Date, and (z) the covenants contained herein to be performed by Seller from and after the Closing shall survive the Closing and shall expire on the date that is the shorter of (i) [***] after the Closing Date, and (ii) the date when such covenants expire in accordance with their terms (the date of expiration under the preceding clauses (w), (x), (y) and (z), the "Expiration Date"); *provided*, *further*, *however*, that if, at any time prior to the [***] anniversary of the Closing Date or the applicable Expiration Date, as applicable, (i) Purchaser (acting in good faith) delivers to Seller a written notice alleging the existence of an inaccuracy in or a breach of any of the representations and warranties or covenants made by the Company or Seller in this Agreement or in any certificate delivered pursuant to this Agreement (and setting forth in reasonable detail the basis for Purchaser's belief that such an inaccuracy or breach may exist) and asserting a claim for recovery under Section 9.2(a) based on such alleged inaccuracy or breach, or (ii) Seller (acting in good faith) delivers to the Company a written notice alleging the existence of an inaccuracy in or a breach of any of the representations and warranties made by Purchaser in this Agreement or in any certificate delivered pursuant to this Agreement (and setting forth in reasonable detail the basis for Seller's belief that such an inaccuracy or breach may exist) and asserting a claim for recovery under Section 9.2(b) based on such alleged inaccuracy or breach then, in the case of clause (i) or clause (ii), then such representation, warranty or covenant referenced in such notice shall survive until such time as such claim is fully and finally resolved.

Section 9.2 Right to Indemnification.

(a) Subject to the limitations and procedural requirements set forth in this Article IX, from and after the Closing, Seller shall hold harmless and indemnify each of the Purchaser Indemnitees from and against, and shall compensate and reimburse each of the Purchaser Indemnitees for, any Damages which are suffered or incurred by any of the Purchaser Indemnitees or to which any of the Purchaser Indemnitees may otherwise become subject and which arise from or as a result of: (i) any breach of any representation or warranty of the Company or Seller set forth in this Agreement or in any certificate delivered pursuant to this Agreement or any Ancillary Document; (ii) any breach of any covenant or agreement of the Company or Seller set forth in this Agreement or any Ancillary Document, (iii) any Closing Debt or Unpaid Company Transaction Expenses, to the extent not paid pursuant to Section 3.1 and Section 3.2; (iv) any claim by any Person seeking to assert or based upon: (A) ownership or rights to ownership of any Shares or the right to obtain Shares; (B) any claim, whether derivative or otherwise, against any director or officer of the Company relating to the sale of the Company or any right relating to corporate governance or under the Company's Organizational Documents, or under any indemnification agreement between Seller, on the one hand, and the Company, on the other; (C) any claim by any Person that his, her or its securities were wrongfully canceled or repurchased by the Company; and (D) any claim against the Company, Purchaser or any of their Affiliates by Seller based on any act or failure to act, or any alleged act or failure to act, of Seller (including Fraud, gross negligence, willful misconduct or bad faith) in breach of its obligations hereunder, including any failure or alleged failure to distribute properly all or any portion of the consideration payable hereunder, (v) any Pre-Closing Taxes, to the extent not included in Closing Debt or Unpaid Company Transaction Expenses and accounted for in the determination of the Initial Consideration, or (vi) the matters set forth on Exhibit D.

(b) Subject to the applicable limitations and procedural requirements set forth in this Article IX, from and after the Closing, Purchaser shall hold harmless and indemnify Seller from and against, and shall compensate and reimburse Seller for, any Damages which are suffered or incurred by Seller or to which Seller may otherwise become subject and which arise from or as a result of: (i) any breach of any representation or warranty of Purchaser set forth in this Agreement or in any certificate delivered pursuant to this Agreement (when read without any exception or qualification as to materiality); or (ii) any breach of any covenant or agreement of Purchaser set forth in this Agreement.

Section 9.3 Limitations on Liability.

(a) Other than (i) the Company Key Representations, (ii) the Company Fundamental Representations and (iii) Fraud committed by or on behalf of Seller in connection with the transactions contemplated hereby, the maximum liability of Seller under Section 9.2(a)(i) for breaches or inaccuracies of the representations and warranties contained of the Company in Article IV, breaches or inaccuracies of the representations and warranties contained of the Seller in Article V and the covenants contained herein to be performed by the Company or the Seller as the case may be, shall be the amount of funds then remaining in the Escrow Account. The maximum liability of Seller under Section 9.2(a)(i) for breaches or inaccuracies of all representations and warranties other than the Company Fundamental Representations shall be $[***]. Seller shall not have any Liability under this Article IX in excess of the Consideration payable to Seller pursuant to this Agreement (less the Loan Payoff Amount payable by the Purchaser at Closing pursuant to Section 2.1). The maximum aggregate Liability of Purchaser under this Agreement shall be the Initial Consideration and the Contingent Consideration.

(b) Without limiting the effect of any other limitation contained in this Article IX, the indemnification provided for in Section 9.2(a)(i) shall not apply except to the extent that the aggregate Damages against which the Purchaser Indemnitees would otherwise be entitled to be indemnified pursuant to Section 9.2(a)(i) exceeds $[***] in the aggregate (the "Basket"), and with respect to any given claim for Damages, such claim is individually in excess of $[***] (which shall not be applied against the Basket), in which event the Purchaser Indemnitees shall, subject to the other limitations contained herein, be entitled to be indemnified against all of such Damages, including the Basket; provided, however, that this limitation shall not apply to any Damages related to (i) Fraud committed by or on behalf of Seller in connection with the transactions contemplated hereby, (ii) a breach of the Company Key Representations or (iii) a breach of the Company Fundamental Representations.

(c) Without limiting the effect of any other limitation contained in this Article IX, Purchaser shall not be entitled to indemnification under this Article IX for any Damages to the extent that the amount otherwise indemnifiable hereunder has been included in the calculation of the Initial Consideration.

(d) The representations, warranties, agreements, covenants and obligations of the Company, and the rights and remedies that may be exercised by the Purchaser Indemnitees, shall not be limited or otherwise affected by or as a result of any information furnished to, or any investigation made by or knowledge of, any of the Purchaser Indemnitees. For purposes of both determining whether a breach or inaccuracy in any representation or warranty of the Company has occurred and calculating the amount of Damages arising from any such breach or inaccuracy, the Company shall be deemed to have been made such representations and warranties without any qualifications as to materiality and, accordingly, all references herein and therein to "material," "in all material respects," "material adverse effect," and similar qualifications as to materiality shall be deemed to be deleted therefrom. Recoveries under this Article IX by the Purchaser Indemnitees shall first be from the Escrow Account and thereafter any Consideration paid or payable to Seller.

(e) Nothing in this Agreement shall limit any remedy Purchaser may have against any Person for claims based on Fraud that such Person committed.

(f) Notwithstanding anything to the contrary elsewhere in this Agreement, no Purchaser Indemnitee shall be indemnified for Damages with respect to (i) the amount, value or condition of, or any limitations on, any Tax asset or attribute (e.g., net operating loss or Tax credit) of the Company after the Closing, including the ability of any Purchaser Indemnitee to utilize such Tax asset or attribute after the Closing, (ii) any Taxes arising as a result of an action taken by Purchaser or its Affiliates (including the Company after the Closing) outside the ordinary course of business on the Closing Date after the Closing (other than as explicitly contemplated by this Agreement) or (iii) any Taxes arising from an election made by Purchaser with respect to the Company under Sections 336 or 338 of the Code.

Section 9.4 Claims and Procedures.

(a) If an Indemnitee (as defined below) determines in good faith that it has a bona fide claim for indemnification pursuant to this Article IX and the Indemnitee intends to make such indemnification claim, then Purchaser (in the case of any indemnification claim pursuant to Section 9.2(a)) or Seller (in the case of any indemnification claim pursuant to Section 9.2(b)), as the case may be, shall promptly thereafter deliver to Seller or Purchaser, as the case may be, a written notice (any notice delivered in accordance with the provisions of this Section 9.4(a), a "Claim Certificate") stating that the Indemnitee has a claim for indemnification pursuant to this Article IX and, to the extent possible, containing a preliminary estimate of the of Damages; and specifying in reasonable detail the material facts giving rise to such claim. No delay in providing such Claim Certificate shall affect an Indemnitee's rights hereunder, unless (and then only to the extent that) the Indemnitor (as defined below) is materially prejudiced thereby.

(b) If Seller or Purchaser, as the case may be, objects to any claim made in any Claim Certificate, then Seller or Purchaser, as the case may be, shall deliver a written notice (a "Claim Dispute Notice") to Purchaser or Seller, as the case may be, during the 30-day period commencing upon receipt by Seller or Purchaser, as the case may be, of the Claim Certificate. The Claim Dispute Notice shall set forth in reasonable detail the principal basis for the dispute of any claim made in the applicable Claim Certificate. If Seller or Purchaser, as the case may be, does not deliver a Claim Dispute Notice hereunder prior to the expiration of such 30-day period, then each claim for indemnification set forth in such Claim Certificate shall be deemed to have been conclusively determined in favor of the applicable Indemnitee for purposes of this Article IX on the terms set forth in the Claim Certificate.

(c) If a Claim Dispute Notice is properly delivered hereunder, then Purchaser and Seller shall attempt in good faith to resolve any such objections raised in such Claim Dispute Notice. If Purchaser and Seller agree to a resolution of such objection, then a memorandum setting forth the matters conclusively determined by Purchaser and Seller shall be prepared and signed by both parties.

(d) If no such resolution can be reached during the 45-day period following receipt of a given Claim Dispute Notice hereunder, then upon the expiration of such 45-day period, either Purchaser or Seller may bring suit to resolve the objection in accordance with Section 10.10 and Section 10.11.

Section 9.5 Defense of Third-Party Claims.

Upon receipt by any Person seeking to be indemnified pursuant to Section 9.2 (the "Indemnitee") of notice of any actual or possible Action that has been or may be brought or asserted by a third party against such Indemnitee and that may be subject to indemnification hereunder (a "Third-Party Claim"), the Indemnitee shall promptly deliver a Claim Certificate with respect to such Third-Party Claim to the Person from whom indemnification is sought under Section 9.2 (the "Indemnitor"). The Indemnitee shall have the right, at its election, to proceed with the defense of such Third-Party Claim on its own. If Indemnitee so proceeds with the defense of any such Third-Party Claim:

(a) Indemnitor shall, and shall use commercially reasonable efforts to cause each other Indemnitor to, make available to Indemnitee any documents and materials in its possession or control that may be necessary to the defense of such Third-Party Claim; and

(b) Indemnitee shall have the right to control, settle, adjust or compromise such Proceeding without the consent of the Indemnitor; *provided*, *however*, that except with the consent of the Indemnitor (which consent shall not be unreasonably withheld, conditioned or delayed), no settlement of any such Proceeding shall be determinative of, or introduced as evidence of, either the fact that Liability may be recovered by the applicable Indemnitee in respect of such Proceeding pursuant to the indemnification provisions of this Article IX or the amount of such Liability that may be recovered by the applicable Indemnitee in respect of such Third-Party Claim pursuant to the indemnification provisions of this Article IX. If the Indemnitor consents to such settlement, the Indemnitor will not have any power or authority to object to the amount or validity of any claim by or on behalf of an Indemnitee for indemnity with respect such settlement.

The Indemnitee shall give the Indemnitor prompt notice of the commencement of any such Third-Party Claim; *provided*, *however*, that any failure on the part of Indemnitee to so notify the Indemnitor shall not limit any of the obligations of the Indemnitors under this Article IX (except to the extent such failure materially prejudices the defense of such Proceeding).

Section 9.6 No Subrogation. The Indemnitor shall not be entitled to exercise, and shall not be subrogated to, any rights and remedies (including rights of indemnity, rights of contribution and other rights of recovery) that the Indemnitee or any of the Indemnitee's Subsidiaries or other Affiliates may have against any other Person with respect to any Damages, circumstances or matter to which such indemnification is directly or indirectly related.

Section 9.7 Limitation on Damages. Notwithstanding anything to the contrary elsewhere in this Agreement or provided for under any applicable Law, no Party nor any current or former stockholder, director, officer, employee, Affiliate or advisor of any of the foregoing, shall, in any event, be liable to any other Person, either in Contract, tort or otherwise, for any punitive or exemplary Damages (except to the extent such Damages are granted by a court in connection with a Third-Party Claim).

Section 9.8 Characterization of Indemnification Payments. The Parties agree that any indemnification payments made pursuant to this Article IX shall be treated for all Tax purposes as an adjustment to the Consideration unless otherwise required by Law.

Section 9.9 Right to Set Off. Notwithstanding any provision of this Agreement to the contrary, the Parties hereby acknowledge and agree that, in addition to any other right or remedy hereunder, the obligation of Purchaser to pay any Contingent Consideration hereunder shall be qualified in its entirety by the right of Purchaser to set off, subject to (i) the Purchaser Indemnitees first having sought recovery against the Escrow Account (except with respect to Fraud committed by or on behalf of Seller in connection with the transactions contemplated hereby or breaches of the Company Key Representations or the Company Fundamental Representations) and (ii) the express limitations set forth in this Article IX, the amount of any such Contingent Consideration at the time that such Contingent Consideration becomes payable pursuant to Section 3.3, by the amount of any Damages resulting from a breach of the Company Key Representations (as limited pursuant to Section 9.3(a)) and the Company Fundamental Representations incurred or suffered or (until the amount is finally determined in accordance with this Article IX) that Purchaser determines is reasonably likely to be incurred or suffered by any Purchaser Indemnitee (to the extent any Purchaser Indemnitee has an indemnification claim under this Article IX); *provided*, that the maximum amount of any portion of the Contingent Consideration which may be set off by the Purchaser to satisfy breaches of the Company Key Representations shall be an amount equal to [***] of the Contingent Consideration. If the final amount of Damages determined to be payable in respect of such indemnification claim in accordance with this Article IX is less than the amount withheld by Purchaser from the Contingent Consideration, as applicable, then Purchaser shall promptly pay the difference to Seller. If the final amount of Damages determined to be payable in respect of such indemnification claim exceeds the amount withheld from the Contingent Consideration then, subject to this Section 9.9, the applicable Purchaser Indemnitee shall continue to be entitled to indemnification in an amount equal the amount of such excess pursuant to the terms and conditions of this Article IX. Each of the Parties acknowledges and agrees that such set off right shall not give rise to any indemnification obligations of the Seller which are separate from, in addition to, or beyond the scope of those obligations set forth under Article IX, or to extend any of the survival periods set forth under Section 9.1.

Section 9.10 Exclusive Remedy. From and after the Closing, the right of the Purchaser Indemnitees to be indemnified pursuant to this Article IX shall be the sole and exclusive remedy of the Purchaser Indemnitees (other than specific performance pursuant to the provisions of Section 10.12 or for claims based on Fraud against the Seller or its Affiliates or those acting on behalf of the Seller or its Affiliates in connection with the transactions contemplated hereby) with respect to any breach of any representation, warranty, covenant or agreement of the Company or Seller contained in, or any other breach by the Company or Seller of, this Agreement. From and after the Closing, the right of Seller to be indemnified pursuant to this Article IX shall be the sole and exclusive remedy of Seller (other than specific performance pursuant to the provisions of Section 10.12 or for claims based on Fraud against the Purchaser or its Affiliates or those acting on behalf of the Purchaser or its Affiliates in connection with the transactions contemplated hereby) with respect to any breach of any representation, warranty, covenant or agreement of Purchaser contained in, or any other breach by Purchaser of, this Agreement.

ARTICLE X
GENERAL PROVISIONS

Section 10.1 Expenses. Except as otherwise expressly provided in this Agreement, all costs and expenses (including all fees and disbursements of counsel, financial advisors and accountants) incurred in connection with the negotiation and preparation of this Agreement, the performance of the terms of this Agreement and the consummation of the transactions contemplated by this Agreement, shall be paid by the respective party incurring such costs and expenses, whether or not the Closing shall have occurred.

Section 10.2 Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given or made as follows: (a) if sent by registered or certified mail in the United States return receipt requested, upon receipt; (b) if sent by nationally recognized overnight air courier, one (1) Business Day after mailing; (c) if sent by facsimile transmission or electronic mail, with a copy mailed on the same day in the manner provided in clauses (a) or (b) of this Section 10.2, when transmitted and receipt is confirmed and (d) if otherwise actually personally delivered, when delivered; *provided*, that such notices, requests, demands and other communications are delivered to the address set forth below, or to such other address as any party shall provide by like notice to the other Parties to this Agreement:

(a) if to Purchaser or the Company, to:

FL2021-001, Inc.
601 California Street, Suite 600
San Francisco, CA 94108
Attention: Chief Executive Officer
Telephone: (415) 787-6009
Email: [***]

with a copy (which shall not constitute notice) to:

Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP
3570 Carmel Mountain Road, Suite 200
San Diego, CA 92130
Attention: Jeffrey C. Thacker and Jonathan Spencer
Email: [***];[***]

(b) if to Seller, to:

Fronthera International
Attention: Qing Dong
Telephone: [***]
Email: [***]

with a copy (which shall not constitute notice) to:

Wilson Sonsini Goodrich & Rosati, P.C.
650 Page Mill Rd.
Palo Alto, CA 94304
Attention: Miranda Biven and Ethan Lutske
Email: [***]; [***]
with a copy (which shall not constitute notice) to:

Section 10.3 Public Announcements. The initial press release announcing the execution of this Agreement or upon the Closing, if any, shall be issued in such form as shall be mutually agreed upon by Seller and Purchaser. Unless otherwise required by applicable Law or applicable stock exchange rules and regulations, no party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated by this Agreement, or otherwise communicate with any news media regarding this Agreement or the transactions contemplated by this Agreement, without the prior written consent of the other Parties to this Agreement. If a public statement is required to be made pursuant to applicable Law or applicable stock exchange rules and regulations, the Parties shall consult with each other, to the extent reasonably practicable, in advance as to the contents and timing thereof.

Section 10.4 Interpretation. The Article and Section headings in this Agreement are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provision of this Agreement. References to Articles, Sections, Schedules or Exhibits in this Agreement, unless otherwise indicated, are references to Articles, Sections, Schedules and Exhibits of or to this Agreement. The Parties to this Agreement have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to any term or provision of this Agreement, this Agreement shall be construed as if drafted jointly by the Parties to this Agreement, and no presumption or burden of proof shall arise favoring or disfavoring any party to this Agreement by virtue of the authorship of any of the terms or provisions of this Agreement. Any reference to any federal, state, county, local or foreign statute or Law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. All references to "$" or "dollars" herein shall be references to the lawful currency of the United States of America. For all purposes of and under this Agreement, (a) the word "including" shall be deemed to be immediately followed by the words "without limitation;" (b) words (including defined terms) in the singular shall be deemed to include the plural and vice versa; (c) words of one gender shall be deemed to include the other gender as the context requires; (d) the terms "hereof," "herein," "hereto," "herewith" and any other words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Schedules and Exhibits to this Agreement) and not to any particular term or provision of this Agreement, unless otherwise specified; (e) the use of the word "or" shall not be exclusive; and (f) all references to "days" mean calendar days.

Section 10.5 Severability. In the event that any one or more of the terms or provisions contained in this Agreement or in any other certificate, instrument or other document referred to in this Agreement, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or any other such certificate, instrument or other document referred to in this Agreement, and the Parties to this Agreement shall use their commercially reasonable efforts to substitute one or more valid, legal and enforceable terms or provisions into this Agreement which, insofar as practicable, implement the purposes and intent of this Agreement. Any term or provision of this Agreement held invalid, illegal or unenforceable only in part, degree or within certain jurisdictions shall remain in full force and effect to the extent not held invalid, illegal or unenforceable to the extent consistent with the intent of the Parties as reflected by this Agreement.

Section 10.6 Entire Agreement. This Agreement (including the Company Disclosure Schedule, the other Schedules and the Exhibits to this Agreement) and the Confidentiality Agreement constitute the entire agreement of the Parties to this Agreement with respect to the subject matter of this Agreement and the Confidentiality Agreement, and supersede all prior agreements and undertakings, both written and oral, among the Parties to this Agreement with respect to the subject matter of this Agreement and the Confidentiality Agreement, except as otherwise expressly provided in this Agreement.

Section 10.7 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the Parties to this Agreement (whether by operation of Law or otherwise) without the prior written consent of the other parties to this Agreement, and any purported assignment or other transfer without such consent shall be void and unenforceable; *provided*, that Purchaser may transfer or assign its rights and obligations under this Agreement, in whole or from time to time in part, to any Person; *provided*, that such transfer or assignment shall not relieve Purchaser of its obligations hereunder or enlarge, alter or change any obligation of any other Party hereto or due to Purchaser. Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the Parties to this Agreement and their respective successors and assigns.

Section 10.8 No Third-Party Beneficiaries. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon or give any Person, other than the Parties hereto, any rights or remedies under or by reason of this Agreement.

Section 10.9 Waivers and Amendments. This Agreement may be amended or modified only by a written instrument executed by all of the Parties to this Agreement. Any failure of the Parties to this Agreement to comply with any obligation, covenant, agreement or condition in this Agreement may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver. No delay on the part of any party to this Agreement in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party to this Agreement of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder. Unless otherwise provided, the rights and remedies provided for in this Agreement are cumulative and are not exclusive of any rights or remedies which the Parties to this Agreement may otherwise have at Law or in equity. Whenever this Agreement requires or permits consent by or on behalf of a party, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 10.9.

Section 10.10 Governing Law; Consent to Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of Delaware applicable to Contracts executed in and to be performed entirely within such State. Each of the Parties to this Agreement hereby irrevocably and unconditionally submits, for itself and its assets and properties, to the exclusive jurisdiction of any Delaware State court, or Federal court of the United States of America, sitting within the State of Delaware, and any appellate court from any thereof, in any Action arising out of or relating to this Agreement, the agreements delivered in connection with this Agreement, or the transactions contemplated hereby or thereby, or for recognition or enforcement of any judgment relating thereto, and each of the Parties to this Agreement hereby irrevocably and unconditionally (a) agrees not to commence any such Action except in such courts; (b) agrees that any claim in respect of any such Action may be heard and determined in such Delaware State court or, to the extent permitted by Law, in such Federal court; (c) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such Action in any such Delaware State or Federal court; and (d) waives, to the fullest extent permitted by Law, the defense of an inconvenient forum to the maintenance of such Action in any such Delaware State or Federal court. Each of the Parties to this Agreement hereby agrees that a final judgment in any such Action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. Each of the Parties to this Agreement hereby irrevocably consents to service of process in the manner provided for notices in Section 10.2. Nothing in this Agreement shall affect the right of any party to this Agreement to serve process in any other manner permitted by applicable Law.

Section 10.11 Waiver of Jury Trial. EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE, IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (III) IT MAKES SUCH WAIVERS VOLUNTARILY AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.11.

Section 10.12 Specific Performance. Each of the Parties to this Agreement hereby acknowledge and agree that the failure of it to perform its agreements and covenants hereunder, including its failure to take all actions as are necessary on its part in accordance with the terms and conditions of this Agreement to consummate the transactions contemplated in this Agreement, will cause irreparable injury to the other parties, for which Damages, even if available, will not be an adequate remedy. Accordingly, each of the Parties to this Agreement hereby (a) consents to the issuance of injunctive relief by any court of competent jurisdiction to prevent breaches of this Agreement and to compel performance of such party's obligations and to the granting by any court of the remedy of specific performance of its obligations hereunder, without proof of actual Damages and without any requirement that a bond or other security be posted, and (b) agrees that the right of specific performance is an integral part of the transactions contemplated by this Agreement and without that right, the other parties would not have entered into this Agreement. Each of the Parties to this Agreement hereby agrees to waive the defense in any such Action that the other party to this Agreement has an adequate remedy at Law, and agrees not to assert that a remedy of specific enforcement is unenforceable, invalid, contrary to Law or inequitable for any reason or that a remedy of monetary Damages would provide an adequate remedy, and further agrees to interpose no opposition, legal or otherwise, as to the propriety of injunction or specific performance as a remedy, and hereby agrees to waive any requirement to post any bond in connection with obtaining such relief. The equitable remedies described in this Section 10.12 shall be in addition to, and not in lieu of, any other remedies at Law or in equity that the Company may elect to pursue.

Section 10.13 Company Disclosure Schedule. The Parties acknowledge and agree that (a) matters reflected in the Company Disclosure Schedule are not necessarily limited to matters required by this Agreement to be reflected therein, and any additional matters are set forth for information purposes and do not necessarily include other matters of a similar nature, and the inclusion of any items or information in the Company Disclosure Schedule that are not required by this Agreement to be so included is solely for the convenience of Purchaser; (b) the disclosure of any matter or item in the Company Disclosure Schedule shall not be deemed to constitute, or be deemed to be, an admission of any Liability of the Company or any of its Affiliates, in each case to any Person that is not party to this Agreement, nor an admission against the Company's or any of its Affiliates' interests to such third Person; (c) each statement or other item of information set forth in the Company Disclosure Schedule shall not be deemed to be a representation and warranty made by the Company in this Agreement; (d) any disclosure set forth in the Company Disclosure Schedule with respect to a particular representation, warranty or covenant shall be deemed to be a disclosure with respect to all other applicable representations, warranties and covenants contained in this Agreement to the extent that it is readily apparent on its face from a reading of such disclosure that it also qualifies or applies to such other representations, warranties or covenants, notwithstanding the omission of a cross-reference or the omission of a reference in the particular representation, warranty or covenant to the applicable section of the Company Disclosure Schedule; and (e) headings have been inserted in the Company Disclosure Schedule for convenience of reference only.

Section 10.14 Counterparts. This Agreement may be executed and delivered (including by facsimile transmission or electronic mail in portable document format) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

Section 10.15 Waiver of Conflicts Regarding Representation.

(a) Wilson Sonsini Goodrich & Rosati ("WSGR") has acted as counsel for the Seller in connection with this Agreement and the transactions contemplated hereby (the "Acquisition Engagement") and, in that connection, not as counsel for any other Person, including, without limitation, Purchaser or any of its Affiliates. Only the Seller shall be considered the client of WSGR in the Acquisition Engagement. If the Seller so desires, WSGR shall be permitted, without the need for any future waiver or consent, to represent any of the Seller's securityholders after the Closing in connection with any matter related to the matters contemplated by this Agreement or any disagreement or dispute relating thereto and may in connection therewith represent the agents or Affiliates of the Seller's securityholders, in any of the foregoing cases including, without limitation, in any dispute, litigation or other adversary proceeding against, with or involving Purchaser, the Company or any of their agents or Affiliates.

(b) To the extent that communications between Seller, on the one hand, and WSGR, on the other hand, relate to the Acquisition Engagement, such communication shall be deemed to be attorney-client confidences that belong solely to the Seller. Neither Purchaser nor any of its Affiliates, including the Company, shall have access to (and Purchaser hereby waives, on behalf of each, any right of access it may otherwise have with respect to) any such communications or the files or work product of WSGR, to the extent that they relate to the Acquisition Engagement, whether or not the Closing occurs. Without limiting the generality of the foregoing, Purchaser acknowledges and agrees, for itself and on behalf of its Affiliates, including the Company, upon and after the Closing: (i) the Seller and WSGR shall be the sole holders of the attorney-client privilege of the Seller with respect to the Acquisition Engagement, and neither Purchaser nor any of its Affiliates, including the Company, shall be a holder thereof; (ii) to the extent that files or work product of WSGR in respect of the Acquisition Engagement constitute property of the client, only the Seller, shall hold such property rights and have the right to waive or modify such property rights; and (iii) WSGR shall have no duty whatsoever to reveal or disclose any such attorney-client communications, files or work product to Purchaser or any of its Affiliates, including the Company, by reason of any attorney-client relationship between WSGR and the Company or otherwise; provided, that, to the extent any communication is unrelated to the Acquisition Engagement, WSGR shall provide (and the Seller shall instruct WSGR to provide) appropriately redacted versions of such communications, files or work product to Purchaser or its Affiliates, including the Company. Notwithstanding the foregoing, in the event that a dispute arises between any of Purchaser or its Affiliates, including the Company, on one hand and the Seller, on the other hand, concerning the matters contemplated in this Agreement, Purchaser, for itself and on behalf of its Affiliates, including the Company, agrees that Purchaser and its Affiliates, including the Company, shall not offer into evidence or otherwise attempt to use or assert the foregoing attorney-client communications, files or work product against the Seller.

(c) Without limitation of the foregoing, any other communication between Seller, on the one hand, and any representative of Seller (other than WSGR) or any other third person (other than Purchaser and its Affiliates), relating to the Acquisition Engagement and prior to the Closing shall be deemed confidential information of the Seller, and from and after the Closing, such communications shall be deemed to be confidential information that belong solely to the Seller, for and on behalf of the Seller. Prior to the Closing, the Company shall be entitled to transfer possession of such communications (including any tangible and intangible copies of such communications) to the Seller.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, Purchaser, Seller and the Company have caused this Agreement to be executed by their respective officers thereunto duly authorized, in each case as of the date first above written.

PURCHASER: **FL2021-001, INC.**

By: /s/ June Lee
Name: June Lee
Title: Chief Executive Officer

SELLER: **FRONTHERA INTERNATIONAL GROUP LIMITED (CAYMAN)**

By: /s/ Qing Dong
Name: Qing Dong
Title: President

COMPANY: **FRONTHERA U.S. HOLDINGS, INC.**

By: /s/ Qing Dong
Name: Qing Dong
Title: President

[*Signature page to Stock Purchase Agreement*]

Exhibit A

Form of Stock Power

Seller's Stock Power And Assignment
Separate From Stock Certificate

[***]

Exhibit B

Form of Escrow Agreement

[***]

Exhibit C

Form of Director and Officer Release

[***]

Exhibit D

Specified Indemnification Matters

None.

Exhibit E

Milestone Payments

1. Milestones.

(a) Within [***] after Purchaser or any TYK2 Product Party achieves each milestone event described in the table set forth below (each, a "Milestone Event"), Purchaser shall pay, or cause to be paid to, the Seller the applicable milestone fee listed next to each such Milestone Event (each such fee, the applicable "Milestone Payment"). The Milestone Events and corresponding Milestone Payments are as follows:

Milestone Event	Milestone Payment
1. First administration of a TYK2 Product to the first (1st) patient in the first Phase 2 Clinical Trial.	$ 37,000,000.00
2. The earlier to occur of (a) the first administration of a TYK2 Product to the first (1st) patient in the first Phase 3 Clinical Trial in a country other than China, or (b) filing of the first Drug Approval Application in the U.S. or a Major European Country, whichever occurs first.	$ 23,000,000.00
3. [***].	$ [***]
4. [***].	$ [***]
5. [***].	$ [***]

(b) All Milestone Payments shall be made in U.S. dollars and shall be paid by wire transfer or direct deposit in immediately available funds. Each of the Milestone Payments shall be payable one (1) time only, with respect to the first achievement of the relevant Milestone Event, regardless of how many times such Milestone Event is achieved and regardless of how many TYK2 Products achieve such Milestone Event. In accordance with the foregoing, the maximum total Milestone Payments payable by Purchaser to the Seller shall not exceed $120,000,000.00 (the "Total Milestone Payment Amount").

(c) If Purchaser or any TYK2 Product Party achieves Milestone Event 2 in the table in Section 1(a) above before Milestone Event 1 in such table, then Milestone Event 1 shall be automatically deemed achieved and Purchaser shall pay, or cause to be paid, to the Seller the Milestone Payment for Milestone Event 1 together with the Milestone Payment for Milestone Event 2. If Purchaser or any TYK2 Product Party achieves Milestone Event 5 in the table in Section 1(a) above before Milestone Event 4 in such table, then Milestone Event 4 shall be automatically deemed achieved and Purchaser shall pay, or cause to be paid, to the Seller the Milestone Payment for Milestone Event 5 together with the Milestone Payment for Milestone Event 4.

2. Commercially Reasonable Efforts.

(a) During the period commencing on the Closing Date and ending on the earliest of (i) the date upon which the Milestone Payment for Milestone Event 1 in the table in Section 1(a) above has been paid to the Seller, and (ii) the date on which the aggregate amount Purchaser has spent on research and development activities for a TYK2 Product (including, without limitation, employee salaries, but excluding stock-based compensation, benefits, utilities, facilities, insurance, overhead, capital expenditures and travel expenses) equals or exceeds [***], Purchaser covenants and agrees that it will use, and shall cause all TYK2 Product Parties to use, Commercially Reasonable Efforts to achieve Milestone Event 1. Without limiting the generality of the foregoing, Purchaser shall not, and shall not authorize or permit any TYK2 Product Party to, take any action or omit to take any action with the specific intent of avoiding or reducing the payment of any Milestone Payment(s).

(b) In addition, in the event that Purchaser grants to a third party rights to develop and/or commercialize any TYK2 Product in the United States or a Major European Country(ies) (each, a "Major Market TYK2 Product Agreement"), and the Milestone Events pertaining to such country(ies) have not previously been achieved, Purchaser shall promptly notify Seller following the execution of each such Major Market TYK2 Product Agreement and provide to Seller with full details of the diligence obligations required to be exercised by such third party towards the achievement of the Milestone Events (subject to Seller agreeing to any reasonable confidentiality obligations required under such Major Market TYK2 Product Agreement necessary to receive such information from Purchaser). Until the achievement of all of the Milestone Events pertaining to [***], to the extent covered by a particular Major Market TYK2 Product Agreement, Purchaser covenants and agrees to (i) assess whether the third party is meeting the diligence obligations required to be exercised by such third party under such Major Market TYK2 Product Agreement, (ii) to determine whether and how to remedy any failure by such third party to meet its diligence obligations, and (iii) Purchaser's board of directors shall determine in good faith whether to pursue litigation to enforce any such failure to meet diligence obligations.

3. Reports. Each Milestone Payment shall be accompanied by a summary report regarding the development activities that occurred with respect to the achievement of such Milestone Event. Within [***] after the end of each calendar year following the Closing Date and ending on the earliest of (i) the date upon which the last Milestone Payment has been made, and (ii) the [***] full calendar year following the calendar year in which the Closing Date occurs (such period, the "Reporting Period"), Purchaser shall provide the Seller with a written report summarizing its and all TYK2 Product Parties' material, development and regulatory activities pertaining to the achievement of the Milestone Events during the previous calendar year (each such report, an "Update Report"). In addition, at least once in each successive [***] period following the Closing Date until the expiration of the [***] period in which the Reporting Period expires, upon Seller's request and no later than [***] after such a request, Representatives of Purchaser who are responsible for managing the activities and business relating to the TYK2 Products and knowledgeable about such operations shall meet with Representatives of Seller, telephonically or in person, to discuss the status of development and regulatory activities pertaining to the achievement of the Milestone Events, and any reasonable inquiries the Seller may have regarding such matters and/or the information contained in the Update Reports. Each of Purchaser and Seller shall bear its own costs and expenses regarding such meetings.

4. Acknowledgement. The Seller acknowledges and agrees that: (i) the Milestone Payments are contingent upon achievement of the corresponding Milestone Event provided for in Section 1 of this Exhibit E, which may not be achieved and as a result, some or all of such payments may never be paid, (ii) Purchaser has no obligation to Seller under this Agreement to extend any effort to achieve any Milestone Event except as expressly set forth in Section 2 of this Exhibit E and no implied duties of any kind shall apply, and (iii) the Base Initial Consideration and the Milestone Payments (if the corresponding Milestone Events are achieved) constitute sufficient consideration for entering into this Agreement. The Company hereby waives, disclaims and forever relinquishes any right to any claim in respect of a Milestone Payment based on any representation, warranty, covenant or agreement other than those expressly set forth in this Agreement, including this Exhibit E.

5. Milestone Event Disputes. If Seller believes that any Milestone Event has occurred and Purchaser has not paid the corresponding Milestone Payment in accordance with this Exhibit E, then Seller may deliver to Purchaser written notice thereof (a "Milestone Dispute Notice"), in reasonable detail. During the [***] following the delivery of a Milestone Dispute Notice, Purchaser and Seller shall attempt in good faith to resolve any dispute as to whether any Milestone Event has occurred and whether any Milestone Payment is payable. Following such thirty-day period, either party may initiate litigation of such dispute in accordance with Section 10.10 of the Agreement.

6. Definitions. For purposes of this Exhibit E:

"China" means the People's Republic of China.

"Clinical Trial" means any human clinical study of any TYK2 Product.

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

"Commercialization Approval" means [***].

"Drug Approval Application" means [***].

"FTP-637" means the compound known as FTP-637 having the molecular structure, set forth in Schedule E-1.

"FTP-638" means the compound known as FTP-638 having the molecular structure, set forth in Schedule E-2

"FTP-1817" means the compound known as FTP-1817 having the molecular structure, set forth in Schedule E-3.

"FTP-1866" means the compound known as FTP-1866 having the molecular structure, set forth in Schedule E-4.

"Marketing Approval" means approval of a Drug Approval Application by the applicable Regulatory Authority.

"Major European Country" means any one of the following: [***].

"Phase 2 Clinical Trial" means a Clinical Trial in which a primary endpoint is designed to preliminarily evaluate clinical efficacy of a TYK2 Product, for one or more indications and/or to obtain an indication of the dosage regimen required, or a Clinical Trial that would otherwise satisfy the requirements defined in 21 CFR 312.21(b), or other comparable regulation imposed by the FDA, the EMA or their foreign counterparts for an equivalent Clinical Trial in the applicable country where such Clinical Trial takes place.

"Phase 3 Clinical Trial" means a pivotal Clinical Trial designed to be used to establish safety and efficacy of a TYK2 Product as a basis for obtaining Marketing Approval in the applicable country where such Clinical Trial takes place, or a Clinical Trial that would otherwise satisfy the requirements defined in 21 C.F.R. 312.21(c), or other comparable regulation imposed by the FDA, the EMA or their foreign counterparts for an equivalent Clinical Trial in the applicable country where such Clinical Trial takes place.

"Regulatory Authority" means, with respect to a country, the applicable regulatory authority(ies) with legally binding authority over the testing, manufacture, use, storage, importation, promotion, marketing, pricing or sale of a TYK2 Product labeled for the prevention or treatment of a human disease, state or condition in such country, including the FDA and the European Medicines Agency, or any successor organization to the foregoing.

"TYK2 Compound" means (a) (i) FTP-637, FTP-638, FTP-1817, or FTP-1866, or (ii) any other compound that is specifically claimed in a Valid Claim of: (A) any of the following patents or patent applications included in the TYK2 Portfolio as of the date of this Agreement: PCT/US2019/057485, US16/938,183, PCT/US2020/021850 or US63/079,217; or (B) any Patents filed after the Closing that claim priority to the Patents described in clause (a)(ii)(A); or (b) any derivative of any compound described in clause (a), including any salt, polymorph, hydrate, solvate, isomer, ester, prodrug of any compound described in clause (a).

"TYK2 Portfolio" means all (a) Patents listed on Section 4.13(a) of the Company Disclosure Schedule, (b) Patents that (i) are filed during the period commencing on the date of this Agreement and ending on the day that is [***] after the Closing, and (ii) name as an inventor an individual who was an employee of or consultant to the Company prior to the date of this Agreement, (c) any Patents issuing from any Patent described in clause (a) or (b), or (d) any Patent that claims priority to a Patent described in clause (a), (b) or (c), but only to the extent each such Patent claims the same subject matter as the Patent application to which it claims priority.

"Patent(s)" means patents and patent applications anywhere in the world, any substitution, division, continuation, continuation-in-part (but only to the extent such continuation-in-part claims the same subject matter as the application to which it claims priority), patent of addition, renewal, restoration, supplementary protection certificate, registration or confirmation patent, patent issuing from post-grant proceedings, reexamination, extension, renewal, or reissue of any of the foregoing and any patents or patent applications claiming or entitled to claim priority to any of the foregoing and all rights of priority attendant to such patents and patent applications and any foreign equivalents of any of the foregoing.

"TYK2 Product" means any pharmaceutical product containing a TYK2 Compound that would infringe any Valid Claim of a Patent within the TYK2 Portfolio, absence a license to or ownership of such patent or patent application.

"TYK2 Product Party" means, collectively, Purchaser, its Affiliates and/or its or their respective licensees, and/or sublicensees, and any assignees and/or successors of any of the foregoing with respect to rights to a TYK2 Product, or any other Person who receives from any of the foregoing Persons rights for the development or commercialization of any TYK2 Product or that has been delegated responsibility for achieving a Milestone Event for which a Milestone Payment has not previously been paid.

"Valid Claim" means a composition of matter or method of use claim of: (a) of any issued, unexpired Patent that has not been revoked or held unenforceable or invalid by a decision of a court or governmental agency of competent jurisdiction from which no appeal can be taken, or with respect to which an appeal is not taken within the time allowed for appeal, and that has not been disclaimed or admitted to be invalid or unenforceable through reissue, disclaimer or otherwise; or (b) of any Patent application that has not been cancelled, withdrawn or abandoned, without being re-filed in another application in the applicable jurisdiction.

Exhibit F

Asset Transfer and Assumption Agreement

[***]

Exhibit G

Confirmatory Assignment Agreement

[***]

Exhibit H

Form of Employee Release

[***]

Schedule 1.1(p)

Encumbrances

Schedule 8.2(d)

Third Party Consents

Schedule 8.2(e)(i)

Director and Officer Release Persons

Employee Release Persons

Schedule 8.2(e)(ii)

Schedule 8.2(h)

Terminated Contracts

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of Alumis Inc. of our report dated April 10, 2024 relating to the financial statements of Alumis Inc., which appears in this Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP
San Jose, California
June 7, 2024

Exhibit 107

Calculation of Filing Fee Tables

Form S-1

Alumis Inc.

Table 1: Newly Registered Securities

	Security Type	Security Class Title	Fee Calculation or Carry Forward Rule	Amount Registered	Proposed Maximum Offering Price Per Unit	Maximum Aggregate Offering Price(1)	Fee Rate	Amount of Registration Fee(2)
Fees to Be Paid	Equity	Common Stock, par value $0.0001 per share(3)(4)	457(o)	—	—	$100,000,000.00	0.00014760	$14,760.00
	Total Offering Amounts					$100,000,000.00	—	$14,760.00
	Total Fee Offsets					—	—	—
	Net Fee Due					—	—	$14,760.00

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended (the "Securities Act").

(2) Calculated pursuant to Rule 457(o) under the Securities Act based on an estimate of the proposed maximum aggregate offering price.

(3) Includes up to an additional 15% of the aggregate offering price to cover a 30-day option granted to the underwriters to purchase additional shares of our common stock to cover over-allotments, if any.

(4) Pursuant to Rule 416(a) of the Securities Act, the shares of common stock registered hereby also includes an indeterminable number of additional securities that may be issued to prevent dilution resulting from stock splits, stock dividends or similar transactions.