UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2020

OR

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

For the transition period from _____ to _____

Commission File Number: 001-38443

Cogent Biosciences, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**46-5308248**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
200 Cambridge Park Drive, Suite 2500 Cambridge, Massachusetts	**02140**
(Address of principal executive offices)	**(Zip code)**

(617) 945-5576
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 Par Value	**COGT**	**The Nasdaq Global Select Market**

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

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

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

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

As of November 6, 2020 (post-effectiveness of the registrant's 1-for-4 reverse stock split), the registrant had 11,342,400 shares of common stock, $0.001 par value per share, outstanding.

Summary of the Material Risks Associated with Our Business

Our business is subject to numerous risks and uncertainties that you should be aware of in evaluating our business. These risks include, but are not limited to, the following:

- Our business is highly dependent on the success of our future PLX9486 programs for the treatment of systemic mastocytosis ("SM") and advanced gastrointestinal stromal tumors ("GIST") and any other potential product candidates that we develop.
- Since the number of patients that we have dosed in our Phase 1 clinical trials is small, the results from such clinical trials may be less reliable than results achieved in larger clinical trials, which may hinder our efforts to obtain regulatory approval for our product candidates.
- Clinical trials are expensive, time-consuming, and difficult to design and implement.
- The current pandemic of the novel coronavirus, or COVID-19, and the future outbreak of other highly infectious or contagious diseases, could seriously harm our development efforts, increase our costs and expenses and have a material adverse effect on our business, financial condition and results of operations.
- We face significant competition from other biotechnology and pharmaceutical companies, and our operating results will suffer if we fail to compete effectively.
- We may choose not to develop a potential product candidate, or we may suspend, deprioritize or terminate one or more discovery programs or preclinical or clinical product candidates or programs.
- The FDA may disagree with our regulatory plan and we may fail to obtain regulatory approval of our product candidates.
- Coverage and reimbursement may be limited or unavailable in certain market segments for our product candidates, which could make it difficult for us to sell our product candidates, if approved, profitably.
- We contract with third parties for the manufacture of our drug candidates for preclinical development and clinical trials. This reliance on third parties increases the risk that we will not have sufficient quantities of our drug candidates or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.
- The third parties upon whom we rely for the supply of the API, drug substance and drug product used in PLX9486 are our sole source of supply, and the loss of any of these suppliers could significantly harm our business.
- Our internal computer systems, or those used by our third-party contract research organizations ("CROs") or other contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of the development programs of our product candidates.
- We may form or seek collaborations or strategic alliances or enter into additional licensing arrangements in the future, and we may not realize the benefits of such collaborations, alliances or licensing arrangements.
- If our efforts to protect the proprietary nature of the intellectual property related to our technologies are not adequate, we may not be able to compete effectively in our market.
- We have incurred net losses in every year since our inception and anticipate that we will continue to incur net losses in the future.
- The price of our stock may be volatile, and you could lose all or part of your investment.

The summary risk factors described above should be read together with the text of the full risk factors below, in the section entitled "Risk Factors" and the other information set forth in this Quarterly Report on Form 10-Q, including our consolidated financial statements and the related notes, as well as in other documents that we file with the SEC. The risks summarized above or described in full below are not the only risks that we face. Additional risks and uncertainties not precisely known to us, or that we currently deem to be immaterial may also materially adversely affect our business, financial condition, results of operations and future growth prospects.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements, which reflect our current views with respect to, among other things, our operations and financial performance. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plan, objectives of management and expected market growth are forward-looking statements. These statements involve known and unknown risks, uncertainties, and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as “may,” “should,” “expects,” “might,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential,” “seek,” “would” or “continue,” or the negative of these terms or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Some of the key factors that could cause actual results to differ from our expectations include, but are not limited to, the following:

- the potential impacts of raising additional capital, including dilution to our existing stockholders, restrictions our operations or requirements that we relinquish rights to our technologies or product candidates;
- business interruptions resulting from the coronavirus disease (“COVID-19”) outbreak or similar public health crises, which could cause a disruption of the development of our product candidates and adversely impact our business;
- the success, cost, and timing of our product development activities and clinical trials;
- the timing of our planned regulatory submissions to the FDA for our product candidate PLX9486;
- our ability to obtain and maintain regulatory approval for our PLX9486 product candidate and any other product candidates we may develop, and any related restrictions, limitations, and/or warnings in the label of an approved product candidate;
- the potential for our identified research priorities to advance our PLX9486 product candidate;
- the ability to license additional intellectual property relating to our product candidates from third-parties and to comply with our existing license agreements and collaboration agreements;
- the ability and willingness of our third-party research institution collaborators to continue research and development activities relating to our product candidates;
- our ability to commercialize our products in light of the intellectual property rights of others;
- our ability to obtain funding for our operations, including funding necessary to complete further development and commercialization of our product candidates;
- the scalability and commercial viability of our manufacturing methods and processes;
- the commercialization of our product candidates, if approved;
- our plans to research, develop, and commercialize our product candidates;
- our ability to attract collaborators with development, regulatory, and commercialization expertise;
- future agreements with third parties in connection with the commercialization of our product candidates and any other approved product;
- the size and growth potential of the markets for our product candidates, and our ability to serve those markets;
- the rate and degree of market acceptance of our product candidates;
- the pricing and reimbursement of our product candidates, if approved;
- regulatory developments in the United States and foreign countries;

- our ability to contract with third-party suppliers and manufacturers and their ability to perform adequately;
- the success of competing therapies that are or may become available;
- our ability to attract and retain key scientific or management personnel;
- the accuracy of our estimates regarding expenses, future revenue, capital requirements, and needs for additional financing;
- our expectations regarding the period during which we qualify as an emerging growth company under the JOBS Act;
- our use of the proceeds from the initial public offering, the Concurrent Private Placement and the Series A Preferred Stock financing as defined herein; and
- our expectations regarding our ability to obtain and maintain intellectual property protection for our product candidates.

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this Quarterly Report on Form 10-Q. The forward-looking statements contained in this Quarterly Report on Form 10-Q are made as of the date of this Quarterly Report on Form 10-Q, and we undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Cogent Biosciences, Inc.
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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

COGENT BIOSCIENCES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)
(unaudited)

	September 30, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	$ 129,420	$ 37,424
Accounts receivable	—	2,000
Prepaid expenses and other current assets	3,996	1,167
Total current assets	133,416	40,591
Operating lease, right-of-use asset	5,046	5,285
Property and equipment, net	153	1,865
Restricted cash	1,255	1,255
Other assets	—	427
Total assets	$ 139,870	$ 49,423
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 639	$ 3,183
Accrued expenses and other current liabilities	5,535	7,131
CVR liability (Note 3)	11,959	—
Operating lease liability	1,988	1,619
Deferred revenue	—	1,315
Total current liabilities	20,121	13,248
Operating lease liability, net of current portion	3,691	4,413
Total liabilities	23,812	17,661
Commitments and contingencies (Note 10)		
Series A non-voting convertible preferred stock, $0.001 par value; 1,000,000 shares authorized; 163,325 and no shares issued and outstanding at September 30, 2020 and December 31, 2019, respectively	138,232	—
Stockholders' equity:		
Preferred stock, $0.001 par value; 9,000,000 shares authorized; no shares issued or outstanding	—	—
Common stock, $0.001 par value; 150,000,000 shares authorized; 10,677,285 shares and 7,665,763 shares issued and outstanding at September 30, 2020 and December 31, 2019, respectively	11	8
Additional paid-in capital	165,177	155,646
Accumulated deficit	(187,362)	(123,892)
Total stockholders' equity (deficit)	(22,174)	31,762
Total liabilities, convertible preferred stock and stockholders' equity (deficit)	$ 139,870	$ 49,423

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

COGENT BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except share and per share amounts)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Collaboration revenue	$ 312	$ 1,020	$ 7,871	$ 7,211
Operating expenses:				
Research and development	5,003	10,335	19,630	33,355
General and administrative	5,598	2,721	12,074	8,274
Acquired in-process research and development	46,910	—	46,910	—
Total operating expenses	57,511	13,056	78,614	41,629
Loss from operations	(57,199)	(12,036)	(70,743)	(34,418)
Other income (expense):				
Interest income	23	31	73	206
Gain on disposal of long-lived assets	7,463	82	7,470	82
Other income	239	—	239	—
Change in fair value of CVR liability	(509)	—	(509)	—
Total other income (expense), net	7,216	113	7,273	288
Net loss	$ (49,983)	$ (11,923)	$ (63,470)	$ (34,130)
Net loss per common share, basic and diluted	$ (5.07)	$ (1.56)	$ (7.56)	$ (4.49)
Weighted average common shares outstanding, basic and diluted	9,850,530	7,665,281	8,392,741	7,604,688
Comprehensive loss:				
Net loss	$ (49,983)	$ (11,923)	$ (63,470)	$ (34,130)
Other comprehensive income:				
Unrealized gains on marketable securities, net of tax	—	—	—	12
Total other comprehensive income	—	—	—	12
Comprehensive loss	$ (49,983)	$ (11,923)	$ (63,470)	$ (34,118)

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

COGENT BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF NON-VOTING CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)
(in thousands, except share amounts)
(unaudited)

	Series A Non-Voting Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
Balances at December 31, 2019			7,665,763	$ 8	$ 155,646	$ (123,892)	$ 31,762
Issuance of common stock upon exercise of stock options	—	—	51,823	—	38	—	38
Issuance of common stock under Employee Stock Purchase Plan	—	—	14,252	—	35	—	35
Issuance of common stock, net of issuance costs	—	—	181,595	—	262	—	262
Acquisition and retirement of treasury stock	—	—	(207,961)	—	(808)	—	(808)
Stock-based compensation expense	—	—	—	—	507	—	507
Net loss	—	—	—	—	—	(6,094)	(6,094)
Balances at March 31, 2020	—	$ —	7,705,472	$ 8	$ 155,680	$ (129,986)	$ 25,702
Issuance of common stock upon exercise of stock options	—	—	85,012	—	62	—	62
Stock-based compensation expense	—	—	—	—	870	—	870
Net loss	—	—	—	—	—	(7,393)	(7,393)
Balances at June 30, 2020	—	$ —	7,790,484	$ 8	$ 156,612	$ (137,379)	$ 19,241
Issuance of common stock upon exercise of stock options	—	$ —	201,017	$ —	$ 335	$ —	$ 335
Issuance of common stock under Employee Stock Purchase Plan	—	$ —	8,293	$ —	$ 13	$ —	$ 13
Issuance of common stock upon RSU vesting	—	$ —	56,933	$ —	$ —	$ —	$ —
Issuance of common stock to LPC	—	$ —	1,061,583	$ 1	$ 10,669	$ —	$ 10,670
Issuance of Series A non-voting preferred stock and common stock in connection with the Kiq acquisition	44,687	$ 39,325	1,558,975	$ 2	$ 5,486	$ —	$ 5,488
Issuance of Series A non-voting preferred stock, net of issuance costs of $5,493	118,638	$ 98,907	—	$ —	$ —	$ —	$ —
Dividend payable to common stockholders	—	$ —		$ —	$ (11,450)	$ —	$ (11,450)
Stock-based compensation expense	—	$ —	—	$ —	$ 3,512	$ —	$ 3,512
Net loss	—	$ —	—	$ —	$ —	$ (49,983)	$ (49,983)
Balances at September 30, 2020	163,325	$ 138,232	10,677,285	$ 11	$ 165,177	$ (187,362)	$ (22,174)

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

COGENT BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF NON-VOTING CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)
(in thousands, except share amounts)
(unaudited)

	Series A Non-Voting Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balances at December 31, 2018			7,514,492	$ 8	$ 152,297	$ (12)	$ (92,059)	$ 60,234
Issuance of common stock upon exercise of stock options	—	—	15,213	—	11	—	—	11
Stock-based compensation expense	—	—	—	—	726	—	—	726
Unrealized gains on marketable securities	—	—	—	—	—	10	—	10
Net loss	—	—	—	—	—	—	(11,691)	(11,691)
Balances at March 31, 2019	—	$ —	7,529,705	$ 8	$ 153,034	$ (2)	$ (103,750)	$ 49,290
Issuance of common stock upon exercise of stock options	—	—	135,433	—	97	—	—	97
Stock-based compensation expense	—	—	—	—	885	—	—	885
Unrealized gains on marketable securities	—	—	—	—	—	2	—	2
Net loss	—	—	—	—	—	—	(10,516)	(10,516)
Balances at June 30, 2019	—	$ —	7,665,138	$ 8	$ 154,016	$ —	$ (114,266)	$ 39,758
Issuance of common stock upon exercise of stock options	—	—	625	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	788	—	—	788
Unrealized gains on marketable securities	—	—	—	—	—	—	—	—
Net loss	—	—	—	—	—	—	(11,923)	(11,923)
Balances at September 30, 2019	—	$ —	7,665,763	$ 8	$ 154,804	$ —	$ (126,189)	$ 28,623

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

COGENT BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2020	2019
Cash flows from operating activities:		
Net loss	$ (63,470)	$ (34,130)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	703	979
Stock-based compensation expense	5,151	2,399
Realized loss on sales of marketable securities	—	2
Noncash consideration received from a customer	(808)	—
Noncash portion of acquired in-process research and development	44,812	—
Net amortization (accretion) of premiums (discounts) on marketable securities	—	(55)
Gain on disposal of long-lived assets	(7,470)	(82)
Change in fair value of CVR liability	509	—
Changes in operating assets and liabilities:		
Accounts receivable	2,000	788
Prepaid expenses and other current assets	(2,769)	(476)
Operating lease, right-of-use asset	239	1,016
Other assets	427	(428)
Accounts payable	(2,544)	75
Accrued expenses and other current liabilities	(1,596)	1,167
Operating lease liability	(353)	(1,092)
Deferred revenue	(1,315)	(3,232)
Net cash used in operating activities	(26,484)	(33,069)
Cash flows from investing activities:		
Purchases of property and equipment	—	(20)
Proceeds from sale of property and equipment	320	204
Proceeds from sale of BOXR Platform assets	8,100	—
Proceeds from maturities and sales of marketable securities	—	22,988
Net cash provided by investing activities	8,420	23,172
Cash flows from financing activities:		
Proceeds from issuance of Series A non-voting convertible preferred stock, net of issuance costs of $5,493	98,907	—
Proceeds from issuance of common stock	10,670	—
Proceeds from issuance of common stock upon stock option exercises	435	108
Proceeds from issuance of stock from employee stock purchase plan	48	—
Net cash provided by financing activities	110,060	108
Net (decrease) increase in cash, cash equivalents and restricted cash	91,996	(9,789)
Cash, cash equivalents and restricted cash at beginning of period	38,679	56,926
Cash, cash equivalents and restricted cash at end of period	$ 130,675	$ 47,137

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

1. Nature of the Business and Basis of Presentation

Cogent Biosciences, Inc. ("Cogent" or "the Company") is a biotechnology company focused on developing precision therapies for genetically defined diseases. Cogent's most advanced program, PLX9486, is a highly selective tyrosine kinase inhibitor that is designed to potently inhibit the KIT D816V mutation as well as other mutations in KIT exon 17. KIT D816V is responsible for driving a rare and serious condition called systemic mastocytosis ("SM"), and exon 17 mutations are also found in patients with advanced gastrointestinal stromal tumors ("GIST"), a type of cancer with strong dependence on oncogenic KIT signaling. The Company was incorporated in March 2014 under the laws of the State of Delaware. On October 2, 2020 the Company filed an amendment to its certificate of incorporation to change its name from Unum Therapeutics Inc. to Cogent Biosciences, Inc. The name change became effective on October 6, 2020. In connection with the name change, the Company's common stock began trading under the ticker symbol "COGT" and the new CUSIP for the Company's common stock will be 19240Q 201.

On April 1, 2019, the Company filed a shelf registration statement on Form S-3 with the SEC. The shelf registration statement allows the Company to sell from time-to-time up to $150 million of common stock, preferred stock, debt securities, warrants, or units comprised of any combination of these securities, for its own account in one or more offerings. The terms of any offering under the shelf registration statement will be established at the time of such offering and will be described in a prospectus supplement filed with the SEC prior to the completion of any such offering.

Additionally, on April 1, 2019 and pursuant to the Form S-3, the Company entered into a Sales Agreement (the "Sales Agreement") with Cowen and Company, LLC ("Cowen"), pursuant to which the Company may issue and sell, from time to time, shares of its common stock having an aggregate offering price of up to $50.0 million through Cowen as the sales agent. As of September 30, 2020, no shares have been sold under this Sales Agreement.

As announced on March 2, 2020, the Company initiated a reduction in force that resulted in the termination of approximately 60% of the Company's employee workforce, or 43 employees. These reductions were substantially completed by the end of first quarter of 2020. The reduction in force was approved in connection with the Company's restructuring plans to prioritize resources towards advancing its preclinical program.

On March 19, 2020, the Company entered into a Purchase Agreement (the "LPC Purchase Agreement") with Lincoln Park Capital Fund, LLC ("LPC"), pursuant to which the Company may elect to sell to LPC up to $25,000,000 in shares of its common stock, subject to certain limitations and conditions set forth in the LPC Purchase Agreement. Pursuant to the LPC Purchase Agreement, the Company issued 181,595 shares of common stock to LPC as a commitment fee. As of September 30, 2020, 1,061,583 registered common shares have been sold to LPC under the LPC Purchase Agreement for proceeds of $10.7 million.

On March 26, 2020, the Company announced that it would be exploring strategic alternatives in order to maximize stockholder value and that the Company had engaged Ladenburg Thalmann & Co. Inc. to act as its strategic financial advisor to assist in the strategic review process. As of July 6, 2020, the Company successfully signed and closed the acquisition of Kiq Bio LLC (formerly Kiq LLC) ("Kiq") (the "Kiq acquisition") as disclosed in Note 6.

On July 6, 2020, the Company issued a non-transferrable contingent value right ("CVR"), which was distributed to stockholders of record as of the close of business on July 6, 2020, and prior to the issuance of any shares to acquire Kiq or sold to the PIPE investors as disclosed in Note 3.

On July 9, 2020, the Company completed a Private Investment in Public Equity ("PIPE") of 118,638 Series A Non-Voting Convertible Preferred Stock to new and existing investors in exchange for gross proceeds of $104.4 million, or net proceeds of $98.9 million, after deducting commissions and offering costs.

On August 28, 2020 the Company sold its assets, rights and interests relating to its Bolt-on Chimeric Receptor ("BOXR") technology and Autologous Cell Therapy Industrial Automation ("ACTIA") technology (collectively, the "BOXR Platform"), to Sotio LLC ("Sotio") (the "BOXR Platform Transaction"), pursuant to an asset purchase agreement by and among the Company, Sotio and Sotio NV as Guarantor (the "BOXR Platform Purchase Agreement") as disclosed in Note 7.

In August 2020, the Company's board of directors unanimously approved an amendment to its certificate of incorporation, which would allow the board to effect a reverse stock split of all issued and outstanding shares of our common stock, at a ratio ranging from 1-for-4 to 1-for-8, inclusive, subject to stockholder approval. On October 9, 2020, the Company filed a Definitive Proxy Statement which included the proposal that its stockholders approve the amendment to its certificate of incorporation to effect the reverse stock split and a proposal that the stockholders approve the conversion of the shares of Series A Preferred Stock issued in the Kiq acquisition and the PIPE. The proposals were approved by the stockholders at a special meeting held on November 6, 2020 and the Company's board of directors approved a ratio of 1-for-4 for the reverse stock split. The amendment to the Company's certificate of incorporation to effect the reverse stock split at a ratio of 1-for-4 was filed with the Delaware Secretary of State on November 6, 2020. All disclosures of common shares, per common share data and preferred stock conversion ratios in the accompanying interim

financial statements and related notes have been adjusted to reflect the reverse stock split, but not any conversion of Series A Preferred Stock.

On December 31, 2019, the Company received a deficiency letter from the Listing Qualifications Department of the Nasdaq Stock Market notifying it that, for the last 30 consecutive business days, the bid price for the Company's common stock had closed below the minimum $1.00 per share requirement for continued inclusion on the Nasdaq Global Select Market ("Minimum Bid Price Requirement"). In accordance with Nasdaq Listing Rules, the Company had an initial period of 180 calendar days to regain compliance with the minimum bid price rule, which has been tolled as of April 16, 2020 and will restart on July 1, 2020. On July 20, 2020, the Company received notification from the Nasdaq that the Company has regained compliance with the Nasdaq Listing Rules.

The Company is subject to risks and uncertainties common to early-stage companies in the biotechnology industry, including, but not limited to, development by competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, the impact of the COVID-19 coronavirus, compliance with government regulations and the ability to secure additional capital to fund operations. Product candidates currently under development will require significant additional research and development efforts, including extensive preclinical and clinical testing and regulatory approval prior to commercialization. These efforts require significant amounts of additional capital, adequate personnel and infrastructure and extensive compliance-reporting capabilities. Even if the Company's drug development efforts are successful, it is uncertain when, if ever, the Company will realize significant revenue from product sales.

The accompanying condensed consolidated financial statements have been prepared on the basis of continuity of operations, realization of assets and the satisfaction of liabilities and commitments in the ordinary course of business. The Company has incurred recurring losses since inception, including a net loss of $63.5 million for the nine months ended September 30, 2020. As of September 30, 2020, the Company had an accumulated deficit of $187.4 million. The Company expects to continue to generate operating losses in the foreseeable future. As of the issuance date of the interim condensed consolidated financial statements, the Company expects that its cash and cash equivalents will be sufficient to fund its operating expenses and capital expenditure requirements for at least the next 12 months from issuance of the financial statements. The future viability of the Company beyond that point is dependent on its ability to raise additional capital to finance its operations.

The Company expects that it will continue to incur significant expenses in connection with its ongoing business activities. The Company will need to seek additional funding through equity offerings, debt financings, collaborations, licensing arrangements and other marketing and distribution arrangements, partnerships, joint ventures, combinations or divestitures of one or more of its businesses. The Company may not be able to obtain financing on acceptable terms, or at all, and the Company may not be able to enter into collaborative arrangements or divest its assets. The terms of any financing may adversely affect the holdings or the rights of the Company's stockholders. Arrangements with collaborators or others may require the Company to relinquish rights to certain of its technologies or product candidates. If the Company is unable to obtain funding, the Company could be forced to delay, reduce or eliminate its research and development programs or commercialization efforts, which could adversely affect its business prospects, or the Company may be unable to continue operations.

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

2. Summary of Significant Accounting Policies

Unaudited Interim Financial Information

The consolidated balance sheet at December 31, 2019 was derived from audited financial statements but does not include all disclosures required by GAAP. The accompanying unaudited condensed consolidated financial statements as of September 30, 2020 and for the three and nine months ended September 30, 2020 and 2019 have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial statements. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. These condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the year ended December 31, 2019 included in the Company's Annual Report on Form 10-K on file with the SEC. In the opinion of management, all adjustments, consisting only of normal recurring adjustments necessary for a fair statement of the Company's financial position as of September 30, 2020 and results of operations for the three and nine months ended September 30, 2020 and 2019 and cash flows for the nine months ended September 30, 2020 and 2019 have been made. The Company's results of operations for the three and nine months ended September 30, 2020 are not necessarily indicative of the results of operations that may be expected for the year ending December 31, 2020.

Principles of Consolidation

The accompanying condensed consolidated financial statements include those of the Company and its wholly-owned subsidiaries, Mono, Inc. and Utah Merger Sub 2 LLC. All intercompany balances and transactions have been eliminated.

Risks and Uncertainties - Impact of the COVID-19 Coronavirus

The Company is subject to risks and uncertainties as a result of the COVID-19 pandemic. The virus continues to spread globally, has been declared a pandemic by the World Health Organization and has spread to over 100 countries, including the United States. The impact of this pandemic has been and will likely continue to be extensive in many aspects of society, which has resulted in and will likely continue to result in significant disruptions to the global economy, as well as businesses and capital markets around the world.

The spread of COVID-19 has caused the Company to modify its business practices, including implementing a work-from-home policy for all employees who are able to perform their duties remotely and restricting all nonessential travel, and it expects to continue to take actions as may be required or recommended by government authorities or as the Company determines are in the best interests of its employees, the patients it serves and other business partners in light of COVID-19. Potential impacts to the Company's business include temporary closures of its facilities or those of its vendors, disruptions or restrictions on its employees' ability to travel, disruptions to or delays in ongoing laboratory experiments and operations and the potential diversion of healthcare resources away from the conduct of clinical trials to focus on pandemic concerns, and its ability to raise capital. As of September 30, 2020, there have been no material impacts to the Company. As the impacts of COVID-19 continue to unfold, the Company will continually assess the impacts, as the extent to which the COVID-19 pandemic may materially impact the Company's financial condition, liquidity or results of operations in the future is uncertain.

Convertible Preferred Stock

The Company records shares of convertible preferred stock at their respective fair values on the dates of issuance, net of issuance costs. The Company has applied the guidance in ASC 480-10-S99-3A, SEC Staff Announcement: Classification and Measurement of Redeemable Securities, and has therefore classified the Series A Preferred Stock outside of shareholders' equity (deficit) because, if conversion to common stock is not approved by the shareholders, the Series A Preferred Stock will be redeemable at the option of the holders for cash equal to the closing price of the common stock on last trading day prior to the holder's redemption request.

Business Combinations

In determining whether an acquisition should be accounted for as a business combination or asset acquisition, the Company first determines whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. If this is the case, the single identifiable asset or the group of similar assets is not deemed to be a business, and is instead deemed to be an asset. If this is not the case, the Company then further evaluates whether the single identifiable asset or group of similar identifiable assets and activities includes, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. If so, the Company concludes that the single identifiable asset or group of similar identifiable assets and activities is a business.

The Company accounts for business combinations using the acquisition method of accounting. Application of this method of accounting requires that (i) identifiable assets acquired (including identifiable intangible assets) and liabilities assumed generally be measured and recognized at fair value as of the acquisition date and (ii) the excess of the purchase price over the net fair value of identifiable assets acquired and liabilities assumed be recognized as goodwill, which is not amortized for accounting purposes but is subject to testing for impairment at least annually. Acquired in-process research and development ("IPR&D") is recognized at fair value and initially characterized as an indefinite-lived intangible asset, irrespective of whether the acquired IPR&D has an alternative future use. Transaction costs related to business combinations are expensed as incurred. Determining the fair value of assets acquired and liabilities assumed in a business combination requires management to use significant judgment and estimates, especially with respect to intangible assets.

During the measurement period, which extends no later than one year from the acquisition date, the Company may record certain adjustments to the carrying value of the assets acquired and liabilities assumed with the corresponding offset to goodwill. After the measurement period, all adjustments are recorded in the consolidated statements of operations as operating expenses or income.

To date, the Company has not recorded any asset acquisitions as a business combination.

Asset Acquisitions

The Company measures and recognizes asset acquisitions that are not deemed to be business combinations based on the cost to acquire the assets, which includes transaction costs. Goodwill is not recognized in asset acquisitions. In an asset acquisition, the cost allocated to acquire IPR&D with no alternative future use is charged to expense at the acquisition date.

Research Contract Costs and Accruals

The Company has entered into various research and development contracts with companies both inside and outside of the United States. These agreements are generally cancelable, and related payments are recorded as research and development expenses as incurred. The Company records accruals for estimated ongoing research costs. When evaluating the adequacy of the accrued liabilities, the Company analyzes progress of the studies or trials, including the phase or completion of events, invoices received and contracted costs. Significant judgments and estimates are made in determining the accrued balances at the end of any reporting period. Actual results could differ from the Company's estimates. During the three and nine months ended September 30, 2020, in the course of completing the ACTR clinical trials, the Company adjusted the estimates used to determine the clinical accruals based on the best available information at that date, resulting in reductions to the accrued expenses and the related research and development expense of $0.8 million.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates, assumptions, and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant estimates and assumptions reflected in these condensed consolidated financial statements include, but are not limited to, revenue recognition, the accrual of research and development expenses, the valuation of the contingent value right ("CVR") liability and the valuation of stock-based awards. The Company bases its estimates on historical experience, known trends and other market-specific or other relevant factors that it believes to be reasonable under the circumstances. On an ongoing basis, management evaluates its estimates, as there are changes in circumstances, facts and experience. The extent to which the COVID-19 pandemic may directly or indirectly impact its business, financial condition, and results of operations is highly uncertain and subject to change. The Company considered the potential impact of the COVID-19 pandemic on its estimates and assumptions and there is not a material impact to its condensed consolidated financial statements as of and for the three and nine months ended September 30, 2020; however, actual results could differ from those estimates and there may be changes to its estimates in future periods.

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which requires certain financial assets measured at amortized cost be presented at the net amount expected to be collected. The Company adopted ASU 2016-13 on January 1, 2020. The adoption of this guidance did not have a material impact on the Company's condensed consolidated financial statements.

In November 2018, the FASB issued ASU No. 2018-18, *Collaborative Arrangements (Topic 808): Clarifying the Interaction between Topic 808 and Topic 606*. The main provisions of ASU 2018-18 include: (i) clarifying that certain transactions between collaborative arrangement participants should be accounted for as revenue when the collaborative arrangement participant is a customer in the context of a unit of account and (ii) precluding the presentation of transactions with collaborative arrangement participants that are not directly related to sales to third parties together with revenue. This guidance is effective for annual reporting periods beginning after December 15, 2019, including interim periods within those annual reporting periods, and early adoption is permitted. The guidance per ASU 2018-18 is to be adopted retrospectively to the date of initial application of Topic 606. The Company adopted ASU 2018-18 on January 1, 2020. The adoption of this guidance did not have a material impact on the Company's condensed consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, ("ASU 2018-13"). The new standard removes certain disclosures, modifies certain disclosures and adds additional disclosures related to fair value measurement. The new standard became effective on January 1, 2020. The adoption of this guidance did not have a material impact on the Company's condensed consolidated financial statements.

Recently Issued Accounting Pronouncements Not Yet Adopted

In December 2019, the FASB issued ASU 2019-12 *Simplifying the Accounting for Income Taxes*, which eliminates the need for an organization to analyze whether the following apply in a given period: (1) exception to the incremental approach for intra-period tax allocation; (2) exceptions to accounting for basis differences when there are ownership changes in foreign investments; and (3) exceptions in interim period income tax accounting for year-to-date losses that exceed anticipated losses. ASU No. 2019-12 is effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. The Company does not expect that this standard will have a material effect on its condensed consolidated financial statements.

In August 2020, the FASB issued ASU 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)* related to the measurement and disclosure requirements for convertible instruments and contracts in an entity's own equity. The pronouncement simplifies and adds disclosure requirements for the accounting and measurement of convertible instruments and the settlement assessment for contracts in an entity's own equity. This pronouncement is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2021 and early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The Company is currently evaluating the impact that this standard will have on its condensed consolidated financial statements.

3. Fair Value of Financial Assets and Liabilities

The following tables present information about the Company's assets that are measured at fair value on a recurring basis *(in thousands)*:

	Fair Value Measurements at September 30, 2020 Using:			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ —	$ 487	$ —	$ 487
Total Assets	$ —	$ 487	$ —	$ 487
Liabilities:				
CVR Liability	$ —	$ —	$ 11,959	$ 11,959
Total Liabilities	$ —	$ —	$ 11,959	$ 11,959

	Fair Value Measurements at December 31, 2019 Using:			
	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	$ —	$ 485	$ —	$ 485
	$ —	$ 485	$ —	$ 485

On July 6, 2020, the Company issued a non-transferrable CVR, which was distributed to stockholders of record as of the close of business on July 6, 2020, and prior to the issuance of any shares to acquire Kiq or sold to the PIPE investors. Holders of the CVR are entitled to receive certain stock and/or cash payments from proceeds received by the Company, if any, related to the disposition of its legacy cell therapy assets for a period of three years from July 2020. On August 28, 2020, the Company sold the BOXR Platform and subsequently sold additional fixed assets, triggering the CVR payment and, per the terms of the CVR agreement, the payment will be made in shares. The Company classifies the CVR as a liability on its condensed consolidated balance sheet.

The fair value of the CVR liability was determined using the probability weighted discounted cash flow method to estimate future cash flows associated with the sale of the legacy cell therapy assets, including the BOXR platform, ACTR platform and other fixed assets based on assumptions at the date of the CVR issuance and as of September 30, 2020 less certain permitted deductions. The number of shares is determined by dividing the proceeds by the closing price of the Company's stock on July 6, 2020 of $8.80. The closing price of the Company's common stock at each measurement date was used to determine the fair value of the CVR liability. The liability measured at the date of issuance was recorded as a common stock dividend, returning capital to the legacy stockholders of record as of the close of business on July 6, 2020. Changes in fair value of the liability are recognized as a component of Other income (expense) in the condensed consolidated statement of operations and comprehensive loss for the three and nine month periods ended September 30, 2020. The liability was valued based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. For the year ended December 31, 2019, the Company had no financial liabilities outstanding measured at fair value.

The following table sets forth a summary of the changes in the fair value of the Company's CVR liability:

	For the nine months ended September 30, 2020
Beginning balance	$ —
Fair value at CVR issuance	11,450
Change in fair value	509
Ending balance	$ 11,959

4. Accrued Expenses and Other Current Liabilities

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

	September 30, 2020	December 31, 2019
Accrued employee compensation and benefits	$ 1,098	$ 2,500
Accrued external research and development expense	2,310	2,987
Accrued external manufacturing costs	284	750
Other	1,843	894
	$ 5,535	$ 7,131

5. Collaboration Agreement

In June 2015, the Company entered into a Collaboration Agreement with Seattle Genetics (the "Collaboration Agreement"). Pursuant to the terms of the Collaboration Agreement, the Company and Seattle Genetics agreed to jointly develop two product candidates incorporating its ACTR platform and Seattle Genetics' antibodies.

On January 16, 2020, the Company and Seattle Genetics entered into an agreement to terminate the Collaboration Agreement (the "Termination Agreement") effective as of January 16, 2020 (the "Termination Effective Date"), pursuant to which the Parties ceased all research, development, manufacturing and other exploitations of any and all research candidates and development candidates under the Collaboration Agreement, including, without limitation, the development candidate ACTR-BCMA and a research candidate.

Pursuant to terms of the Termination Agreement, among other things, (i) Seattle Genetics paid the Company $5.75 million, (ii) Seattle Genetics surrendered, assigned and transferred to the Company all of its right, title and interest in the 207,961 shares of the Company's common stock owned by Seattle Genetics, (iii) the Company will continue to pay all expenses for the wind-down of the ACTR-BCMA trial and (iv) Seattle Genetics paid all research and development costs incurred through the Termination Effective Date. In addition, the exclusivity provisions in the Collaboration Agreement terminate and each party will be free to research, develop and commercialize its individual intellectual property either by themselves or with third parties, subject to the intellectual property rights of the other party.

In considering all facts, including the suspension of the ATTCK-17-01 clinical trial as announced in November 2019 and the expected termination of the Collaboration Agreement in January 2020, as of December 31, 2019, the Company adjusted the estimated transaction price to be the $25.0 million upfront payment from 2015 and the total payments to be earned for preclinical research and clinical development activities through the Termination Date. During the nine months ended September 30, 2020, the Company adjusted the transaction price to include the Termination Payment of $5.75 million as well as the aggregate fair value of $0.8 million as of January 16, 2020 of the 207,961 shares of common stock received. The aggregate fair value of common stock received has been included as a noncash adjustment to reconcile net loss to net cash used in operating activities within the condensed consolidated statement of cash flows.

Under the Collaboration Agreement and Termination Agreement, the Company recognized revenue of $0.3 million and $1.0 million for the three months ended September 30, 2020 and 2019, respectively, and $7.9 million and $7.2 million for the nine months ended September 30, 2020 and 2019. All remaining performance obligations have been completed and all revenue has been recognized under the Collaboration Agreement. There is no remaining deferred revenue balance as of September 30, 2020.

6. Kiq LLC Acquisition

On July 6, 2020, the Company completed its asset acquisition of Kiq, in accordance with the terms of the Agreement and Plan of Merger (the "Merger Agreement"), signed and closed on July 6, 2020. Under the terms of the Merger Agreement, at the closing of the Merger, the Company issued the securityholders of Kiq 1,558,975 shares of common stock and 44,687 shares of Series A Preferred Stock.

The Company concluded the arrangement did not result in the acquisition of a business, as substantially all of the fair value of the gross assets acquired was concentrated in a single identifiable asset, the exclusive license agreement with Plexxikon Inc. for PLX9486 and PLX0206. In addition, the Company did not obtain any substantive processes or any employees in connection with the acquisition and Kiq was not generating revenue at the time the Merger Agreement was executed. The Company determined that the cost to acquire the assets was $46.9 million, based on the fair value of the consideration issued consisting of the 44,687 shares of Series A Preferred Stock and 1,558,975 shares of common stock valued at $3.52 per share and direct costs of the acquisition of $2.1 million. The acquisition cost was allocated entirely to acquired IPR&D as no other assets or liabilities were acquired. As the assets had not yet received regulatory approval in any territory, the cost attributable to the license agreement was expensed in the Company's condensed consolidated statements of operations for the three and nine months ended September 30, 2020 as the acquired IPR&D had no alternative future use, as determined by the Company in accordance with GAAP.

7. Sale of BOXR Assets

On August 28, 2020 the Company, sold its assets, rights and interests relating to its BOXR Platform, to Sotio, pursuant to the BOXR Platform Purchase Agreement. Pursuant to the BOXR Platform Purchase Agreement, Sotio has agreed to pay the Company total cash consideration of up to $11.5 million, consisting of an upfront payment of $8.1 million ($1.73 million of which was placed in escrow for 90 days related to general representations and warranties) on the Closing Date and potential milestone payments of up to $3.4 million in the aggregate upon the achievement of certain milestones related to the issuance of Specified Claims (as described in the BOXR Platform Purchase Agreement) by the U.S. Patent and Trademark Office and the European Patent Office.

Pursuant to ASC 205-20, Presentation of Financial Statements— Discontinued Operations, the BOXR platform did not meet the criteria of a discontinued operation as it was not considered a component of an entity that comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Company, nor did it represent a strategic shift with a material effect on the Company's operations and financial results. The Company accounted for the sale of the BOXR Platform as the sale of a business and recognized a gain of $7.4 million as a component of Other income (expense) on the Company's condensed consolidated statements of operations and comprehensive loss. The amounts to be released from escrow of $1.73 are included within other current assets on the Company's condensed consolidated balance sheet as of September 30, 2020. No amounts related to the future milestone payments have been recognized as of September 30, 2020.

8. Preferred Stock, Series A Non-Voting Convertible Preferred Stock and Common Stock

Our authorized capital stock consists of 150,000,000 shares of common stock, par value $0.001 per share, and 10,000,000 shares of preferred stock, par value $0.001 per share, 1,000,000 of which are designated as Series A Preferred Stock and 9,000,000 of which shares of preferred stock are undesignated.

Series A Non-Voting Convertible Preferred Stock

On July 6, 2020, the Company filed a Certificate of Designation of Preferences, Rights and Limitations of the Series A Non-Voting Convertible Preferred Stock ("Series A Preferred Stock") with the Secretary of State of the State of Delaware (the "Certificate of Designation") in connection with the Merger and the PIPE. The Certificate of Designation provides for the issuance of shares of Series A Preferred Stock, par value $0.001 per share.

Holders of Series A Preferred Stock are entitled to receive dividends on shares of Series A Preferred Stock equal, on an as-if-converted-to-Common-Stock basis, and in the same form as dividends actually paid on shares of the Common Stock. Except as otherwise required by law, the Series A Preferred Stock does not have voting rights. However, as long as any shares of Series A Preferred Stock are outstanding, the Company will not, without the affirmative vote of the holders of a majority of the then outstanding shares of the Series A Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Series A Preferred Stock, (b) alter or amend the Certificate of Designation, (c) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the holders of Series A Preferred Stock, (d) increase the number of authorized shares of Series A Preferred Stock, (e) prior to the stockholder approval of the Conversion Proposal or at any time while at least 40% of the originally issued Series A Preferred Stock remains issued and outstanding, consummate a Fundamental Transaction (as defined in the Certificate of Designation) or (f) enter into any agreement with respect to any of the foregoing. The Series A Preferred Stock does not have a preference upon any liquidation, dissolution or winding-up of the Company.

The Company has agreed to hold a stockholders' meeting to submit the approval of the conversion of the Series A Preferred Stock into shares of common stock, the approval of an amendment to the certificate of incorporation of the Company to authorize sufficient shares of Common Stock for the conversion of the Series A Preferred Stock issued and the approval of a reverse stock split of all outstanding shares of common stock for the purpose of maintaining compliance with Nasdaq listing standards. The stockholder meeting and reverse split have not occurred as of September 30, 2020. The convertible preferred stock is recorded outside of stockholders' deficit because, if conversion to common stock is not approved by the shareholders, the convertible preferred stock will be redeemable at the option of the holders for cash equal to the closing price of the common stock on last trading day prior to the holder's redemption request. The conversion was approved at the stockholders' meeting on November 6, 2020 (Note 15).

Upon approval of the conversion of the Series A Preferred Stock into shares of common stock, each share of Series A Preferred Stock is convertible into shares of Common Stock at any time at the option of the holder thereof, into 250 shares of Common Stock, subject to certain limitations, including that a holder of Series A Preferred Stock is prohibited from converting shares of Series A Preferred Stock into shares of Common Stock if, as a result of such conversion, such holder, together with its affiliates, would beneficially own more than a specified percentage (to be established by the holder between 4.9% and 19.9%) of the total number of shares of Common Stock issued and outstanding immediately after giving effect to such conversion.

On July 9, 2020 the Company also completed a private placement of 118,638 Series A Preferred Stock to new and existing investors in exchange gross proceeds of $104.4 million, or net proceeds of $98.9 million, after deducting commissions and offering costs.

The Company analyzed the conversion provision related to the Series A Preferred Stock and determined the PIPE holders received a contingent beneficial conversion feature ("BCF") equal to $104.4 million. This amount represents the difference between the Company's closing stock price at the July 9, 2020 commitment date ($12.04) and the $3.52 conversion price, limited by the actual gross proceeds received. As the conversion provision is contingent on stockholder approval, the BCF will not be recognized until the contingency is resolved. Upon obtaining stockholder approval, the $104.4 million BCF will be recognized in additional paid-in capital and reflected as a deemed preferred stock dividend, increasing the net loss attributable to common stockholders and increasing basic net loss per share.

No other classes of preferred stock have been designated and no other preferred shares have been issued or are outstanding as of September 30, 2020.

Common Stock

Each share of common stock entitles the holder to one vote on all matters submitted to a vote of the Company's stockholders. Common stockholders are not entitled to receive dividends, unless declared by the board of directors. In the event of our liquidation, dissolution, or winding up, holders of our common stock will be entitled to share ratably in all assets remaining after payment of all debts and other liabilities and any liquidation preference of any outstanding preferred stock. The shares to be issued by us in this offering will be, when issued and paid for, validly issued, fully paid and non-assessable.

On April 1, 2019, the Company filed a shelf registration statement on Form S-3 with the SEC. The shelf registration statement allows the Company to sell from time-to-time up to $150 million of common stock, preferred stock, debt securities, warrants, or units comprised of any combination of these securities, for its own account in one or more offerings. The terms of any offering under the shelf registration statement will be established at the time of such offering and will be described in a prospectus supplement filed with the SEC prior to the completion of any such offering.

Additionally, on April 1, 2019 and pursuant to the Form S-3, the Company entered into a Sales Agreement (the "Sales Agreement") with Cowen and Company, LLC ("Cowen"), pursuant to which the Company may issue and sell, from time to time, shares of its common stock having an aggregate offering price of up to $50.0 million through Cowen as the sales agent. As of September 30, 2020, no shares have been sold under this Sales Agreement.

On March 19, 2020, the Company entered into a Purchase Agreement (the "Purchase Agreement") with Lincoln Park Capital Fund, LLC ("LPC"), pursuant to which the Company may elect to sell to LPC up to $25,000,000 in shares of its common stock, subject to certain limitations and conditions set forth in the Purchase Agreement. Pursuant to the Purchase Agreement, the Company issued 181,595 shares of common stock to LPC as a commitment fee. As of September 30, 2020, 1,061,583 registered common shares have been sold to LPC under the Purchase Agreement for proceeds of $10.7 million.

On September 22, 2020, the Company filed a registration statement on Form S-3 for the registration of (i) 1,558,975 shares of common stock issued in the acquisition of Kiq (ii) 11,171,750 shares of common stock issuable upon the conversion of 44,687 shares of the Series A Preferred Stock issued in the acquisition of Kiq and (iii) 29,659,500 shares of common stock issuable upon the conversion of 118,638 shares of the Series A Preferred Stock issued in the PIPE, for a total of 42,390,225 shares of common stock.

9. Stock-Based Compensation

2018 Stock Option and Incentive Plan

The Company's 2018 Stock Option and Incentive Plan, (the "2018 Plan"), which became effective on March 27, 2018 provides for the grant of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock units, restricted stock awards, unrestricted stock awards, cash-based awards and dividend equivalent rights. The number of shares initially reserved for issuance under the 2018 Plan was 700,180. Additionally, the shares of common stock that remained available for issuance under the previously outstanding 2015 Stock Incentive Plan (the "2015 Plan") became available under the 2018 Plan. The number of shares reserved for the 2018 Plan automatically increase on each January 1 by 4% of the number of shares of the Company's common stock outstanding on the immediately preceding December 31 or a lesser number of shares determined by the Company's board of directors. The shares of common stock underlying any awards that are forfeited, canceled, held back upon exercise or settlement of an award to satisfy the exercise price or tax withholding, repurchased or are otherwise terminated by the Company under the 2018 Plan or the 2015 Plan will be added back to the shares of common stock available for issuance under the 2018 Plan. The number of authorized shares reserved for issuance under the 2018 Plan was increased by 306,625 shares effective as of January 1, 2020. As of September 30, 2020, 983,251 shares remained available for future issuance under the 2018 Plan.

2018 Employee Stock Purchase Plan

The Company's 2018 Employee Stock Purchase Plan (the "ESPP") became effective on March 28, 2018 at which time a total of 78,500 shares of common stock were reserved for issuance. In addition, the number of shares of common stock that may be issued under the ESPP automatically increase on each January 1 through January 1, 2027, by the least of (i) 125,000 shares of common stock, (ii) 1% of the number of shares of the Company's common stock outstanding on the immediately preceding December 31 or (iii) such lesser number of shares as determined by the ESPP administrator. The number of authorized shares reserved for issuance under the ESPP was increased by 76,657 shares effective as of January 1, 2020. The first six month offering period was initiated on July 1, 2019. As of September 30, 2020, 22,545 shares have been issued under the ESPP and 216,050 shares remain available for issuance.

Stock Option Issuances

During the nine months ended September 30, 2020, the Company granted service-based options to participants for the purchase of 1,235,082 shares of common stock with a weighted average exercise price of $2.80 per share and a weighted average grant-date fair value of $1.96 per share.

Stock-Based Compensation

The Company recorded stock-based compensation expense in the following expense categories of its condensed consolidated statements of operations and comprehensive loss *(in thousands)*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Research and development expenses	$ 1,876	$ 505	$ 2,579	$ 1,692
General and administrative expenses	1,636	283	2,572	707
Total	$ 3,512	$ 788	$ 5,151	$ 2,399

On April 8, 2020, the Company launched a tender offer to certain employee option holders, subject to specified conditions, to exchange some or all of their outstanding options to purchase shares of common stock, par value $0.001 per share, for equivalent number of new options to purchase shares of the Company's common stock. Pursuant to the exchange offer, all eligible employees elected to exchange outstanding options, and the Company accepted for cancellation options to purchase an aggregate of 542,418 shares of the Company's common stock.

On May 7, 2020, immediately following the expiration of the exchange offer, the Company granted new options to purchase 542,418 shares of common stock, pursuant to the terms of the exchange offer and the Company's 2018 Plan. As a result, the exercise price was determined to be $1.68, the fair value of the Company's closing stock price on the grant date. No other terms of the exchanged stock options were modified, and the stock options will continue to vest according to their original vesting schedules and will retain their original expiration dates. The Company accounted for the exchange offer as an option modification and as a result, recorded $0.2 million in incremental stock-based compensation expense during the nine months ended September 30, 2020.

On July 6, 2020, the Board accelerated the vesting for all outstanding stock options in connection with the Kiq acquisition, resulting in acceleration of stock compensation expense of $2.9 million, which was recognized in the three and nine months ended September 30, 2020.

As of September 30, 2020, total unrecognized compensation cost related to the unvested stock-based awards granted in the three months ended September 30, 2020 was $0.5 million. The remaining is to be recognized over a weighted average period of 3.63 years.

10. Commitments and Contingencies

Operating Leases

The Company leases office and laboratory space under a non-cancelable operating lease that expires in April 2023 with the Company's option to extend for an additional five-year term. The lessee has the right to terminate the lease in the event of the inability to use the space due to substantial damage while the lessor has the right to terminate the lease for tenant's default of lease financial obligations. Per the terms of the lease agreement, the Company does not have any residual value guarantees. This extension has not been considered in the determination of the lease liability as the Company is not obligated to exercise their option and it is not reasonably certain that the option will be exercised. The lease payments include fixed lease payments that escalate over the term of the lease on an annual basis. The Company's real estate lease in Cambridge is a net lease, as the non-lease components (i.e. common area maintenance) are paid separately from rent based on actual costs incurred. Therefore, the non-lease component and related payments are not included in the right-of-use asset and liability and are reflected as an expense in the period incurred. The discount rate used in determining the lease liability represents the Company's incremental borrowing rate as the rate implicit in the lease could not be readily determined.

On August 28, 2020, the Company amended this operating lease resulting in increased annual rent payments. No other terms of the lease were changed. The Company determined that the lease modification did not grant an additional right of use and concluded that the modification was not a separate new lease, but rather that it should reassess and remeasure the right-of-use asset and lease liability on the effective date of the modification. The Company increased the right-of-use asset and operating lease liabilities by $0.9 million, respectively.

Concurrent with the lease amendment and the BOXR sale, the Company entered into a sublease with Sotio for the remaining term of the lease. Under the terms of the sublease agreement, Sotio will lease approximately 70% of the facility and will be responsible for the corresponding percentage of operating lease costs and variable lease costs. Variable lease costs include common area maintenance and other operating charges.

The elements of the lease expense, net of sublease income, were as follows (in thousands):

	Nine Months Ended September 30,
Lease cost	
Operating lease cost	$ 1,366
Variable lease cost	693
Sublease Income	(239)
Total lease cost	$ 1,820
Other information	
Cash paid for amounts included in the measurement of lease liabilities	$ 2,137
Remaining lease term	2.58
Discount rate	9.50%

Future minimum lease payments under the operating lease as of September 30, 2020 are as follows (in thousands):

Year Ending December 31,		
2020	$	594
2021		2,424
2022		2,497
2023		841
Total future minimum lease payments		6,356
Less: imputed interest		677
Total operating lease liability	$	5,679
Included in the consolidated balance sheet:		
Current operating lease liability	$	1,988
Operating lease liability, net of current portion		3,691
Total operating lease liability	$	5,679

Under the terms of the lease, the Company obtained a $1.3 million letter of credit as collateral for its leased facility. The underlying cash collateralizing this letter of credit has been classified as non-current restricted cash in the accompanying condensed consolidated balance sheets. This is a refundable deposit and not a lease payment. Under the terms of the sublease agreement with Sotio, Sotio obtained a letter of credit for $1.3 million for the benefit of the Company. This has been excluded from the undiscounted cash flows above.

Plexxikon License Agreement

In July 2020, with the closing of the Kiq acquisition, the Company obtained an exclusive, sublicensable, worldwide license (the "License Agreement") to certain patents and other intellectual property rights to research, develop, and commercialize PLX9486 and PLX0206. As initial consideration for the license, Kiq directly paid Plexxikon Inc. an upfront payment of $1.0 million in cash, which was paid prior to the closing of the Kiq acquisition. Under the terms of the License Agreement, the Company is required to pay Plexxikon aggregate payments of up to $7.5 million upon the satisfaction of certain clinical milestones and up to $25 million upon the satisfaction of certain regulatory milestones.

The Company is also required to pay Plexxikon tiered royalties ranging from a low-single digit percentage to a high-single digit percentage on annual net sales of products. These royalty obligations last on a product-by-product basis and country-by-country basis until the latest of (i) the date on which there is no validate claim of a licensed Plexxikon Inc. patent covering a subject product in such country or (ii) the 10th anniversary of the date of the first commercial sale of the product in such country. In addition, if the Company sublicenses the rights under the License Agreement, the Company is required to pay a certain percentage of the sublicense revenue to Plexxikon Inc ranging from mid-double digit percentages to mid-single digit percentages, depending on whether the sublicense is entered into prior to or after certain clinical trial events.

The license agreement will expire on a country-by-country and licensed product-by-licensed product basis until the later of the last to expire of the patents covering such licensed products or services or the 10-year anniversary of the date of first commercial sale of the licensed product in such country. The Licensors may terminate the license agreement within 30 days after written notice in the event of a breach of contract. The Licensors may also terminate the agreement upon written notice in the event of the Company's bankruptcy, liquidation, or insolvency. In addition, the Company has the right to terminate this agreement in its entirety at will upon 90 days' advance written notice to Plexxikon.

National University of Singapore and St. Jude Children's Research Hospital, Inc. License Agreement

Under its license agreement with National University of Singapore and St. Jude Children's Research Hospital, Inc. (collectively the "Licensors") entered into in 2014, the Company is obligated to pay license maintenance fees on each anniversary of the effective date of the agreement that escalate from less than $0.1 million for each of the first seven years to $0.1 million on the eighth anniversary and each year thereafter. The Company is also obligated to make aggregate milestone payments of up to 5.5 million Singapore dollars (equivalent to approximately $4.0 million as of September 30, 2020) upon the achievement of specified clinical and regulatory milestones and to pay tiered royalties ranging in the low single-digit percentages on annual net sales of licensed products sold by the Company or its sublicensees. The royalties are payable on a product-by-product and country-by-country basis and may be reduced in specified circumstances. Additionally, under certain circumstances, the Company is obligated to pay the Licensors a percentage of amounts received from sublicensees.

The license agreement will expire on a country-by-country basis until the last to expire of the patents and patent applications covering such licensed product or service. The Licensors may terminate the license agreement within 60 days after written notice in the event of a breach of contract. The Licensors may also terminate the agreement upon written notice in the event of the Company's bankruptcy, liquidation, or insolvency. In addition, the Company has the right to terminate this agreement in its entirety at will upon 90 days' advance written notice to the Licensors. However, if the Company has commenced the commercialization of licensed products, the Company can only terminate at will if it ceases all development and commercialization of licensed products. As of September 30, 2020, no milestones had been met. On October 14, 2020, the Company provided notice of termination of the license agreement with National University of Singapore and St. Jude Children's Research Hospital, Inc. The termination will be effective in 90 days on January 12, 2021.

Indemnification Agreements

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, business partners and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with members of its board of directors and its executive officers that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. To date, the Company has not incurred any material costs as a result of such indemnifications. The Company is not aware of any claims under indemnification arrangements will have a material effect on its financial position, results of operations or cash flows, and it has not accrued any liabilities related to such obligations in its condensed consolidated financial statements as of September 30, 2020 or its consolidated financial statements as of December 31, 2019.

Legal Proceedings

The Company is not currently party to any material legal proceedings. At each reporting date, the Company evaluates whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under the provisions of the authoritative guidance that addresses accounting for contingencies. The Company expenses as incurred the costs related to such legal proceedings.

11. Income Taxes

Since our inception, we have not recorded any current or deferred tax benefit for the net losses we have incurred in each year or for our earned research and development tax credits, as we believe, based upon the weight of available evidence, that it is more likely than not that all of our net operating loss carryforwards and tax credits will not be realized. Accordingly, a full valuation allowance has been established against the deferred tax assets as of December 31, 2019. We reevaluate the utilization of net operating loss carryforwards and tax credits at each reporting period. As of December 31, 2019, the Company had U.S. federal and state net operating loss carryforwards of $109.8 million and $110.8 million, respectively and the Company also had U.S. federal and state research and development tax credit carryforwards of $5.3 million and $1.6 million, respectively.

Utilization of the U.S. federal and state net operating loss carryforwards and research and development tax credit carryforwards may be subject to annual limitation under Section 382 of the Internal Revenue Code of 1986, and corresponding provisions of state law, due to ownership changes that have occurred previously or that could occur in the future. These ownership changes may limit the amount of carryforwards that can be utilized annually to offset future taxable income. In general, an ownership change, as defined by Section 382, results from transactions increasing the ownership of certain stockholders or public groups in the stock of a corporation by more than 50% over a three-year period.

As a result of the shares issued in July 2020 related to the acquisition of Kiq and the sale of Series A convertible preferred stock, the Company has likely experienced a change of control, as defined by Section 382. If the Company has experienced a change of control, as defined by Section 382, at any time since inception, utilization of the federal and state net operating loss carryforwards or research and development tax credit carryforwards would be subject to annual limitation under Section 382. Under Section 382, the annual limitation is determined by first multiplying the value of the Company's stock at the time of the ownership change by the applicable long-term tax-exempt rate, and then could be subject to additional adjustments, as required. Any limitation may result in expiration of a portion of the net operating loss carryforwards or research and development tax credit carryforwards before utilization. The Company is completing a study to assess whether a change of control has occurred or whether there have been multiple changes of control since inception, as well as the resulting amount of the limitation on the Company's net operating loss carryforwards and research and development tax credit carryforwards.

12. Net Loss Per Share

Basic and diluted net loss per common share was calculated as follows *(in thousands, except share and per share amounts)*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Numerator:				
Net loss	$ (49,983)	$ (11,923)	$ (63,470)	$ (34,130)
Net loss attributable to common stockholders	$ (49,983)	$ (11,923)	$ (63,470)	$ (34,130)
Denominator:				
Weighted average common shares outstanding, basic and diluted	9,850,530	7,665,281	8,392,741	7,604,688
Net loss per common share, basic and diluted	$ (5.07)	$ (1.56)	$ (7.56)	$ (4.49)

The Company's potential dilutive securities have been excluded from the computation of diluted net loss per share as the effect would be anti-dilutive and would result in a reduction to net loss per share. The Company excluded the following potential common shares, presented based on amounts outstanding at each period end, from the computation of diluted net loss per share attributable to common stockholders for the periods indicated above because including them would have had an anti-dilutive effect:

	September 30,	
	2020	2019
Stock options to purchase common stock	668,360	1,165,997
Series A Preferred Stock	40,831,250	—
	41,499,610	1,165,997

The conversion of the Series A Preferred Stock was approved by the Company's stockholders at the special meeting on November 6, 2020, as further disclosed in Note 15 Subsequent Events.

13. Retirement Plan

The Company has a defined-contribution plan under Section 401(k) of the Internal Revenue Code (the "401(k) Plan"). The 401(k) Plan covers all employees who meet defined minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pre-tax basis. As currently established, the Company is not required to make and to date has not made any contributions to the 401(k) Plan. The Company did not make any matching contributions during the three and nine months ended September 30, 2020 and 2019.

14. Restructuring

On March 2, 2020, the Company announced the board of directors approved plans to reduce workforce and prioritize resources towards advancing the Company's preclinical program. As a result, the Company reduced its headcount by approximately 60% during the three months ended March 31, 2020.

The Company recognized restructuring expenses consisting of one-time severance payments and other employee related costs of $0.9 million and $2.7 million during the three and nine months ended September 30, 2020. Cash payments for employee related restructuring charges of $2.6 million were paid as of September 30, 2020. The Company recorded these restructuring charges based on each employee's role to the respective research and development and general and administrative operating expense categories of $1.7 million and $1.0 million, respectively, on its condensed consolidated statements of operations and comprehensive loss.

A summary of the charges related to the restructuring activities as of September 30, 2020 is as follows *(in thousands)*:

	Balance at December 31, 2019	Charges	Less: Payments	Balance at September 30, 2020
Severance, benefits and relates costs	$ —	$ 2,676	$ (2,603)	$ 73
Total	$ —	$ 2,676	$ (2,603)	$ 73

These amounts are included in accounts payable, accrued expenses and other current liabilities in the September 30, 2020 condensed consolidated balance sheet.

15. Subsequent Events

Sales of common stock

Subsequent to September 30, 2020, the Company sold an additional 649,823 shares to LPC under the LPC Purchase Agreement for net proceeds of $7.2 million.

Conversion of Series A Preferred Stock and Reverse Stock Split

In August 2020, the Company's board of directors unanimously approved an amendment to its certificate of incorporation, which would allow the board to effect a reverse stock split of all issued and outstanding shares of our common stock, at a ratio ranging from 1-for-4 to 1-for-8, inclusive, subject to stockholder approval. On October 9, 2020, the Company filed a Definitive Proxy Statement which included the proposal that our stockholders approve the amendment to its certificate of incorporation to effect the reverse stock split and a proposal that the stockholders approve the conversion of the shares of Series A Preferred Stock issued in the Kiq acquisition and the PIPE. The proposals were approved by the stockholders at a special meeting held on November 6, 2020 and the Company's board of directors approved a ratio of 1-for-4 for the reverse stock split. The amendment to the Company's certificate of incorporation to effect the reverse stock split at a ratio of 1-for-4 was filed with the Delaware Secretary of State on November 6, 2020. All disclosures of common shares, per common share and preferred stock conversion ratio data in the accompanying interim financial statements and related notes have been adjusted to reflect the reverse stock split, but not any conversion of Series A Preferred Stock.

Inducement Plan

On October 22, 2020, the board of directors adopted the Cogent Biosciences, Inc. 2020 Inducement Plan (the "Inducement Plan"). The board of directors also adopted a form of a form of non-qualified stock option agreement for use with the Inducement Plan. A total of 3,750,000 shares of common stock of Cogent have been reserved for issuance under the Inducement Plan, subject to adjustment for stock dividends, stock splits, or other changes in Cogent's common stock or capital structure.

On November 5, 2020, the Company filed a Registration on Form S-8 related to the 3,750,000 shares of its common stock to be issued pursuant to the Inducement Plan.

Resignation of current Chief Executive Officer, President, Principal Executive Officer and Director

On October 26, 2020, the Company announced that, on October 22, 2020, Charles Wilson, Ph.D. resigned from his positions as Chief Executive Officer, President, and Principal Executive Officer of the Company, effective as of October 23, 2020, subject to a transition period from October 23, 2020 until October 30, 2020 (the "Separation Date"). Pursuant to the Separation Agreement, Dr. Wilson will be entitled to receive a payment related to severance and change of control of $1.3 million and other health benefits. Additionally, all equity awards held by Dr. Wilson will become vested and exercisable or non-forfeitable as of the Separation Date.

Appointment of new Chief Executive Officer, Principal Executive Officer, and Director

On October 23, 2020, the Board appointed Andrew Robbins as the Company's Chief Executive Officer, President, and Principal Executive Officer, effective as of October 23, 2020 (the "Commencement Date"). Additionally, the Board appointed Mr. Robbins as a Class III director of the Company, effective as of October 23, 2020. Pursuant to the terms of his employment agreement, and as approved by the Board on October 23, 2020 (the "Grant Date"), Mr. Robbins was granted a non-qualified stock option "inducement award" to purchase 1,860,605 shares of the Company's common stock pursuant to the terms of a stock option award agreement under the Inducement Plan as an inducement material to Mr. Robbins becoming an employee of the Company in accordance with Nasdaq Listing Rule 5635(c)(4).

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to those set forth under the caption "Risk Factors" in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2019.

Overview

On July 6, 2020, we completed our acquisition of Kiq Bio LLC (formerly Kiq LLC), a Delaware limited liability company ("Kiq"), in accordance with the terms of the Agreement and Plan of Merger, dated July 6, 2020 (the "Merger Agreement"). On October 2, 2020, we filed an amendment to our certificate of incorporation to change our name from Unum Therapeutics Inc. to Cogent Biosciences, Inc. The name change became effective on October 6, 2020. In connection with the name change, our common stock began trading under the ticker symbol "COGT."

We are a biotechnology company focused on developing precision therapies for genetically defined diseases. Our most advanced program, PLX9486, is a clinical-stage, selective KIT D816V inhibitor that is being developed to treat systemic mastocytosis ("SM") and gastrointestinal stromal tumor ("GIST") patients. PLX9486 has been administered to more than 50 advanced solid tumor and GIST patients in a Phase 1 / 2 clinical trial, with the vast majority of those patients living with advanced GIST. GIST is a disease frequently driven by mutations in the KIT tyrosine kinase, and resistance to therapy can be seen with the emergence of new KIT mutations. Anti-tumor activity for PLX9486 was observed in both single agent and combination settings, including in combination with sunitinib, an approved treatment option for GIST patients. Clinical data for PLX9486 were previously presented by Plexxikon, a member of the Daiichi Sankyo Group, at the Connective Tissue Oncology Society meeting in November 2017, and the American Society of Clinical Oncology meeting in June 2018.

On July 6, 2020, we shared updated clinical data in 18 patients dosed with PLX9486 in combination with sunitinib as part of our corporate presentation describing the Kiq acquisition, showing median progression free survival of eleven months. This was a heavily-treated advanced GIST population, where 72 percent of patients had previously been treated with sunitinib, 66 percent of patients had received three-or-more Tyrosine kinase inhibitors ("TKIs"), and 50 percent of patients had received four-or-more TKIs. The overall response rate was 16.6 percent, including two partial responses and one complete response.

Based on these results, we are planning an FDA interaction to explore further clinical development of PLX9486 in combination with sunitinib in GIST patients, and plan to initiate an additional clinical study in GIST in the second half of 2021.

In addition to continuing the development of PLX9486 in GIST patients, we are pursuing development of the compound in patients living with advanced systemic mastocytosis ("ASM") and indolent systemic mastocytosis ("ISM"). The vast majority of ASM patients have a KIT D816V mutation, and have a significantly diminished quality of life with median survival less than 3.5 years. For patients with ISM, there are no available approved therapies, and while their lifespan is not impacted by the disease, these patients suffer from a poor quality of life and new treatment options are badly needed. Emerging clinical data for other kinase inhibitors with activity against KIT D816V have shown that the disease is highly sensitive to inhibition of the target. PLX9486 was specifically designed to selectively inhibit KIT mutations on exon 17, including KIT D816V, and we aim to expand the clinical development of this program to treat systemic mastocytosis patients.

Subject to feedback from regulatory authorities, we expect to initiate clinical trials in ASM patients in the first half of 2021, followed by trials in ISM patients in the second half of 2021. We expect to rapidly assess PLX9486 activity in mastocytosis patients by monitoring levels of serum tryptase, a relevant biomarker of disease activity which is elevated in these patients.

Worldwide rights to develop and commercialize PLX9486, as well as an additional selective KIT inhibitor, PLX0206, were exclusively licensed by Kiq from Plexxikon. Under the terms of the May 2020 agreement, Plexxikon received an upfront payment and is eligible for additional development milestones and mid- to high- single-digit royalty payments.

Patents protecting PLX9486 include composition of matter claims which have issued in the US and other key territories and provide exclusivity through 2033 and potentially beyond.

In addition to our small molecule efforts, we have developed proprietary technologies which enable cell therapy programs targeting cancers utilizing a patient's engineered T cells. Our ACTR ("Antibody-Coupled T cell Receptor") product candidates incorporate a novel chimeric receptor that are designed to enable a co-administered, tumor-specific antibody to direct T cell targeting toward tumor cells. All ACTR clinical trials are closed to further enrollment. We anticipate completing all closeout activities of 3 of 4 ACTR clinical trials by December 31, 2020. We anticipate closing out the last ACTR clinical trial in the first half of 2021.

With the acquisition of Kiq and the focus on development of novel precision kinase inhibitors, we are directing our cell therapy efforts towards the identification of an external partner who will have responsibility for future development of the technology and development of product candidates.

On August 28, 2020, we completed the sale of our BOXR technology and Autologous Cell Therapy Industrial Automation ("ACTIA") technology (collectively, the "BOXR Platform"), to Sotio LLC ("Sotio") (the "BOXR Platform Transaction"), pursuant to an asset purchase agreement by and among Cogent, Sotio and Sotio NV as Guarantor (the "BOXR Platform Purchase Agreement").

Pursuant to the BOXR Platform Purchase Agreement, Sotio has agreed to pay us total cash consideration of up to $11.5 million, consisting of an upfront payment of $8.1 million ($1.73 million of which was placed in escrow for 90 days for general representations and warranties) and potential milestone payments of up to $3.4 million in the aggregate upon the achievement of certain milestones related to the issuance of Specified Claims (as described in the BOXR Platform Purchase Agreement) by the U.S. Patent and Trademark Office and the European Patent Office.

Since our inception in 2014, we have focused significant efforts and financial resources on establishing and protecting our intellectual property portfolio, conducting research and development of our product candidates, manufacturing drug product material for use in preclinical studies and clinical trials, staffing our company, and raising capital. We do not have any products approved for sale and have not generated any revenue from product sales. To date, we have funded our operations primarily with proceeds from the sales of preferred stock, our initial public offering of common stock and Concurrent Private Placement, and payments received under our Collaboration Agreement with Seattle Genetics.

On April 1, 2019, we filed a shelf registration statement on Form S-3 with the SEC. The shelf registration statement allows us to sell from time-to-time up to $150.0 million of common stock, preferred stock, debt securities, warrants, or units comprised of any combination of these securities, for its own account in one or more offerings. The terms of any offering under the shelf registration statement will be established at the time of such offering and will be described in a prospectus supplement filed with the SEC prior to the completion of any such offering.

Additionally, on April 1, 2019 and pursuant to the Form S-3, we entered into a Sales Agreement (the "Sales Agreement") with Cowen and Company, LLC ("Cowen"), pursuant to which we may issue and sell, from time to time, shares of our common stock having an aggregate offering price of up to $50.0 million through Cowen as the sales agent. As of September 30, 2020, no shares have been issued or sold under this Sales Agreement.

On March 19, 2020, we entered into a Purchase Agreement (the "LPC Purchase Agreement") with Lincoln Park Capital Fund, LLC ("LPC"), pursuant to which we may elect to sell to LPC up to $25.0 million in shares of our common stock, subject to certain limitations and conditions set forth in the LPC Purchase Agreement. Pursuant to the LPC Purchase Agreement, we issued 181,595 shares of common stock to LPC as a commitment fee. As of September 30, 2020, 1,061,583 registered common shares have been sold to LPC under the LPC Purchase Agreement for proceeds of $10.7 million.

On March 26, 2020, we announced that we would be exploring strategic alternatives in order to maximize stockholder value and that we had engaged Ladenburg Thalmann & Co. Inc. to act as our strategic financial advisor to assist in the strategic review process. As of July 6, 2020, we successfully signed and closed the acquisition of Kiq.

On July 9, 2020, we completed Private Investment in Public Equity ("PIPE") with existing and new investors to raise gross proceeds of $104.4 million in which the investors were issued shares of Series A Non-Voting Convertible Preferred Stock ("Series A Preferred Stock") at a price of $880 per share or, $3.52 per share on an as-converted-to-common basis.

In August 2020, our board of directors unanimously approved an amendment to our certificate of incorporation, which would allow the board to effect a reverse stock split of all issued and outstanding shares of our common stock, at a ratio ranging from 1-for-4 to 1-for-8, inclusive, subject to stockholder approval. On October 9, 2020, the Company filed a Definitive Proxy Statement which included the proposal that our stockholders approve the amendment to our certificate of incorporation to effect the reverse stock split and a proposal that the stockholders approve the conversion of the shares of Series A Preferred Stock issued in the Kiq acquisition and the private placement. The proposals were approved by the stockholders at a special meeting held on November 6, 2020 and our board of directors approved a ratio of 1-for-4 for the reverse stock split. The amendment to our certificate of incorporation to effect the reverse stock split at a ratio of 1-for-4 was filed with the Delaware Secretary of State on November 6, 2020.

Since our inception, we have incurred significant operating losses. Our ability to generate product revenue sufficient to achieve profitability will depend heavily on the successful development and eventual commercialization of one or more of our product candidates. Our net losses were $63.5 million for the nine months ended September 30, 2020. As of September 30, 2020, we had an accumulated deficit of $187.4 million. We expect to continue to incur significant expenses and operating losses for at least the next several years. We expect that our expenses and capital requirements will increase substantially in connection with our ongoing activities, particularly if and as we:

- continue additional clinical trials for our product candidates;
- continue to discover and develop additional product candidates;
- acquire or in-license other product candidates and technologies;

- maintain, expand, and protect our intellectual property portfolio;
- hire additional clinical, scientific, and commercial personnel;
- establish manufacturing capabilities in-house;
- establish a commercial manufacturing source and secure supply chain capacity sufficient to provide commercial quantities of any product candidates for which we may obtain regulatory approval;
- seek regulatory approvals for any product candidates that successfully complete clinical trials;
- establish a sales, marketing, and distribution infrastructure to commercialize any products for which we may obtain regulatory approval; and
- add operational, financial, and management information systems and personnel, including personnel to support our product development and planned future commercialization efforts, as well as to support our transition to a public reporting company.

We will not generate revenue from product sales unless and until we successfully complete clinical development and obtain regulatory approval for our product candidates. If we obtain regulatory approval for any of our product candidates and do not enter into a commercialization partnership, we expect to incur significant expenses related to developing our internal commercialization capability to support product sales, marketing, and distribution.

As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through a combination of equity offerings, debt financings, collaborations, strategic alliances, and marketing, distribution, or licensing arrangements. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed on favorable terms, or at all. If we fail to raise capital or enter into such agreements as, and when, needed, we may have to significantly delay, scale back, or discontinue the development and commercialization of one or more of our product candidates.

Because of the numerous risks and uncertainties associated with pharmaceutical product development, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve or maintain profitability. Even if we are able to generate product sales, we may not become profitable. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to reduce or terminate our operations.

As of September 30, 2020, we had cash and cash equivalents of $129.4 million. We expect that our current cash and cash equivalents will be sufficient to fund our operating expenses and capital expenditure requirements into 2023.

The COVID-19 Pandemic

In March 2020, the World Health Organization declared the outbreak of a novel strain of coronavirus, or COVID-19, as a pandemic, which continues to spread throughout the United States and worldwide. We could be materially and adversely affected by the risks, or the public perception of the risks, related to an epidemic, pandemic, outbreak, or other public health crisis, such as the recent outbreak of COVID-19. We are monitoring the global outbreak and spread of COVID-19 and have taken steps to identify and mitigate the adverse impacts on, and risks to, our business posed by its spread and actions taken by governmental and health authorities to address the COVID-19 pandemic. The spread of COVID-19 has caused us to modify our business practices, including implementing a work-from-home policy for all employees who are able to perform their duties remotely and restricting all nonessential travel, and we expect to continue to take actions as may be required or recommended by government authorities or as we determine are in the best interests of our employees, the patients we serve and other business partners in light of COVID-19. Given the fluidity of the COVID-19 pandemic however, we do not yet know the full extent of the potential impact of COVID-19 on our business operations. The ultimate extent of the impact of any epidemic, pandemic, outbreak, or other public health crisis on our business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic, outbreak, or other public health crisis and actions taken to contain or prevent the further spread, among others. Accordingly, we cannot predict with certainty the extent to which our business, financial condition and results of operations will be affected. We will continue to work diligently with our partners and stakeholders to continue advancing our product candidate under regulatory review as well as in our clinical studies to the extent safe to do so for patients, caregivers and healthcare practitioners, and ensuring the continuity of our manufacturing and supply chain. For additional information related to the potential impact of COVID-19 on our business, please read Part II-Item 1A, “Risk Factors” of this Quarterly Report on Form 10-Q.

Components of Our Results of Operations

Revenue

To date, we have not generated any revenue from product sales and do not expect to generate any revenue from the sale of products in the near future. If our development efforts for our product candidates are successful and result in regulatory approval or additional license or collaboration agreements with third parties, we may generate revenue in the future from a combination of product sales or payments from additional collaboration or license agreements that we may enter into with third parties. We expect that our revenue for the next several years will be derived primarily from any collaborations that we may enter into in the future.

In June 2015, we entered into a Collaboration Agreement with Seattle Genetics (the "Collaboration Agreement"). Pursuant to the terms of the Collaboration Agreement, we and Seattle Genetics agreed to jointly develop two product candidates incorporating our ACTR platform and Seattle Genetics' antibodies. Under the Collaboration Agreement, we conduct preclinical research and clinical development activities related to the two specified product candidates through Phase 1 clinical development, and Seattle Genetics provides the funding for those activities. As a result of the Collaboration Agreement with Seattle Genetics, we recognized revenue of $0.3 million and $1.0 million for the three months ended September 30, 2020 and 2019, respectively, and $7.9 million and $7.2 million for the nine months ended September 30, 2020 and 2019, respectively, related to the upfront payment received from Seattle Genetics under our Collaboration Agreement as well as reimbursements of research and development costs.

On January 16, 2020, we and Seattle Genetics announced an agreement to terminate the ATTCK-17-01 Phase 1 clinical trial and other research activities under the collaboration. Pursuant to terms of the Termination Agreement, among other things, (i) Seattle Genetics paid us $5.75 million, (ii) Seattle Genetics surrendered, assigned and transferred to us all of its right, title and interest in the 207,961 shares of our common stock owned by Seattle Genetics, (iii) we will continue to be responsible for and pay all expenses for the wind-down of the ACTR-BCMA trial and (iv) Seattle Genetics paid all research and development costs incurred through the Termination Effective Date. In addition, the exclusivity provisions in the Collaboration Agreement terminate and each party will be free to research, develop and commercialize their individual intellectual property (either by themselves or with third parties, subject to the intellectual property rights of the other party.

In considering all facts known, including the suspension of the ATTCK-17-01 clinical trial as announced in November 2019 and the expected termination of the Collaboration Agreement in January 2020, as of December 31, 2019, we adjusted the estimated transaction price to be the $25.0 million upfront payment from 2015 and the total payments to be earned for preclinical research and clinical development activities through the Termination Date. During the nine months ended September 30, 2020, we adjusted the transaction price to include the Termination Payment of $5.75 million as well as the aggregate fair value of $0.8 million as of January 16, 2020 of the 207,961 shares of common stock received. All performance obligations have been completed as of September 30, 2020 and all revenue has been recognized under this collaboration agreement. There is no remaining deferred revenue balance as of September 30, 2020.

Operating Expenses

Research and Development Expenses

Research and development expenses consist primarily of costs incurred for our research activities, including our drug discovery efforts, and the development of our product candidates, which include:

- expenses incurred in connection with the preclinical and clinical development of our product candidates, including under agreements with third parties, such as consultants and contractors and contract research organizations ("CROs");
- the cost of manufacturing drug products for use in our preclinical studies and clinical trials, including under agreements with third parties, such as consultants and contractors and contract manufacturing organizations ("CMOs");
- employee-related expenses, including salaries, related benefits, and stock-based compensation expense for employees engaged in research and development functions;
- laboratory supplies and animal care;
- facilities, depreciation, and other expenses, which include direct and allocated expenses for rent and maintenance of facilities and insurance; and
- payments made under third-party licensing agreements.

Our research and development costs include costs for the development of product candidates that were developed Seattle Genetics and for which we have received reimbursement as specified in our Collaboration Agreement. We expense research and development costs as incurred. Advance payments that we make 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.

Our direct research and development expenses are tracked on a program-by-program basis and consist of costs, such as fees paid to consultants, contractors, CMOs, and CROs in connection with our preclinical and clinical development activities. We do not allocate employee costs, costs associated with our discovery efforts, laboratory supplies, and facilities, including depreciation or other indirect costs, to specific product development programs because these costs are deployed across multiple product development programs and, as such, are not separately classified.

Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect that our research and development expenses will increase substantially in connection with our planned clinical and preclinical development activities in the near term and in the future. At this time, we cannot reasonably estimate or know the nature, timing, and costs of the efforts that will be necessary to complete the preclinical and clinical development of any of our product candidates. The successful development and commercialization of our product candidates is highly uncertain. This is due to the numerous risks and uncertainties associated with product development and commercialization, including the following:

- the timing and progress of preclinical and clinical development activities;
- the number and scope of preclinical and clinical programs we decide to pursue;
- the progress of the development efforts of parties with whom we have entered, or may enter, into collaboration arrangements;
- our ability to maintain our current research and development programs and to establish new ones;
- our ability to establish new licensing or collaboration arrangements;
- the successful completion of clinical trials with safety, tolerability, and efficacy profiles that are satisfactory to the U.S. Food and Drug Administration (“FDA”) or any comparable foreign regulatory authority;
- the receipt of regulatory approvals from applicable regulatory authorities;
- the success in establishing and operating a manufacturing facility, or securing manufacturing supply through relationships with third parties;
- our ability to obtain and maintain patents, trade secret protection, and regulatory exclusivity, both in the United States and internationally;
- our ability to protect our rights in our intellectual property portfolio;
- the commercialization of our product candidates, if and when approved;
- the acceptance of our product candidates, if approved, by patients, the medical community, and third-party payors;
- competition with other products; and
- a continued acceptable safety profile of our therapies following approval.

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. We may never succeed in obtaining regulatory approval for any of our product candidates.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related costs, including stock-based compensation, for personnel in executive, finance, and administrative functions. General and administrative expenses also include direct and allocated facility-related costs as well as professional fees for legal, patent, consulting, investor and public relations, accounting, and audit services. We anticipate that our general and administrative expenses will increase in the future as of a result of the costs associated with the asset acquisition of PLX9486 as well as the expansion of operations subsequent to the acquisition.

Acquired In-process Research and Development (“IPR&D”)

We expense acquired IPR&D in connection with an asset acquisition when there is no alternative future use, as determined by Management in accordance with GAAP.

Other Income (Expense)

Interest Income

Interest income consists of interest earned on our cash equivalents and marketable securities balances. Our interest income has not been significant due to low interest earned on invested balances.

Other Income

Other income consists of sublease and miscellaneous income and expense unrelated to our core operations.

Change in fair value of the CVR liability

This consists of changes in the fair value of the CVR liability.

Income Taxes

Since our inception, we have not recorded any current or deferred tax benefit for the net losses we have incurred in each year or for our earned research and development tax credits, as we believe, based upon the weight of available evidence, that it is more likely than not that all of our net operating loss carryforwards and tax credits will not be realized. Accordingly, a full valuation allowance has been established against the deferred tax assets as of December 31, 2019. We reevaluate the utilization of net operating loss carryforwards and tax credits at each reporting period. As of December 31, 2019, we had U.S. federal and state net operating loss carryforwards of $109.8 million and $110.8 million. Utilization of the U.S. federal and state net operating loss carryforwards and research and development tax credit carryforwards may be subject to annual limitation under Section 382 of the Internal Revenue Code of 1986, and corresponding provisions of state law, due to ownership changes that have occurred previously or that could occur in the future. These ownership changes may limit the amount of carryforwards that can be utilized annually to offset future taxable income. In general, an ownership change, as defined by Section 382, results from transactions increasing the ownership of certain stockholders or public groups in the stock of a corporation by more than 50% over a three-year period.

As a result of the shares issued in July 2020 related to the acquisition of Kiq and the sale of Series A convertible preferred stock, the Company has likely experienced a change of control, as defined by Section 382. If the Company has experienced a change of control, as defined by Section 382, at any time since inception, utilization of the federal and state net operating loss carryforwards or research and development tax credit carryforwards would be subject to annual limitation under Section 382. Under Section 382, the annual limitation is determined by first multiplying the value of the Company’s stock at the time of the ownership change by the applicable long-term tax-exempt rate, and then could be subject to additional adjustments, as required. Any limitation may result in expiration of a portion of the net operating loss carryforwards or research and development tax credit carryforwards before utilization. The Company is completing a study to assess whether a change of control has occurred or whether there have been multiple changes of control since inception, as well as the resulting amount of the limitation on the Company's net operating loss carryforwards and research and development tax credit carryforwards.

As of December 31, 2019, we also had U.S. federal and state research and development tax credit carryforwards of $5.3 million and $1.6 million, respectively, which may be available to offset future income tax liabilities and begin to expire in 2034 and 2030, respectively. As of December 31, 2019, we have Massachusetts investment tax credits of $0.1 million which generally have a 3 year carryover period.

Results of Operations

Comparison of the three months ended September 30, 2020 and 2019

The following table summarizes our results of operations for the three months ended September 30, 2020 and 2019:

	Three Months Ended September 30,		
	2020	2019	Change
	(in thousands)		
Collaboration revenue	$ 312	$ 1,020	$ (708)
Operating expenses:			
Research and development	5,003	10,335	(5,332)
General and administrative	5,598	2,721	2,877
Acquired in-process research and development	46,910	—	46,910
Total operating expenses	57,511	13,056	44,455
Loss from operations	(57,199)	(12,036)	(45,163)
Other income (expense):			
Interest income	23	31	(8)
Gain on disposal of long-lived assets	7,463	82	7,381
Other income	239	—	239
Change in fair value of CVR liability	(509)	—	(509)
Total other income (expense), net	7,216	113	7,103
Net loss	$ (49,983)	$ (11,923)	$ (38,060)

Collaboration Revenue

Collaboration revenue recognized during the three months ended September 30, 2020 and 2019 was $0.3 million and $1.0 million, respectively, this decrease is due to the termination of the Collaboration Agreement with Seattle Genetics. We recognize revenue from the upfront payment we received as well as ongoing reimbursements of research and development costs from Seattle Genetics by applying the costs-to-cost method over the performance period. Collaboration revenue fluctuates based upon our pattern of performance for each performance obligation and changes in estimated transaction price and costs to complete our performance obligations. All performance obligations under the Collaboration Agreement are complete as of September 30, 2020 and all revenue has been recognized under this collaboration agreement. There is no remaining deferred revenue balance as of September 30, 2020.

Research and Development Expenses

	Three Months Ended September 30,		
	2020	2019	Change
	(in thousands)		
Direct research and development expenses:			
Legacy programs	$ (444)	$ 3,662	$ (4,106)
PLX9486	794	—	$ 794
Unallocated expenses:			
Personnel related (including stock-based compensation)	3,678	3,980	$ (302)
Laboratory supplies, facility related and other	975	2,693	(1,718)
Total research and development expenses	$ 5,003	$ 10,335	$ (5,332)

Research and development expenses decreased by $5.3 million for the three months ended September 30, 2020 compared to the three months ended September 30, 2019 primarily due to the conclusion of our legacy clinical trials and preclinical efforts and a reduced headcount, related to the restructuring, offset by stock compensation expense charges of $1.4 million based on the acceleration of all outstanding options related to the Kiq acquisition. The three months ended September 30, 2020 includes a change in estimate of $0.8 million which resulted in a cost reversal for amounts associated with our legacy clinical trials.

General and Administrative Expenses

General and administrative expenses for the three months ended September 30, 2020 were $5.6 million, compared to $2.7 million for the three months ended September 30, 2019. The increase in general and administrative expenses was primarily due to an increase personnel costs of $1.5 million based on the acceleration of all outstanding options related to the Kiq acquisition. Professional and consultant fees and facility and other costs increased $1.4 million as a result of the transactions occurring during the three-months ended September 30, 2020, including increased legal, audit and consulting costs.

Acquired In-process Research and Development ("IPR&D")

We expensed acquired IPR&D, with an estimated fair value of $46.9 million, including $2.1 million of associated transaction costs, in connection with the Kiq asset acquisition as there was no alternative future use, as determined by Management in accordance with GAAP.

Interest Income

Interest income for the three months ended September 30, 2020 and 2019 remained consistent at $0.1 million as a result of lower interest rates on the invested balances in the current year.

Gain on disposal of long-lived assets

Gain on disposal of long-lived assets, net increased to $7.5 million for the three months ended September 30, 2020 compared to $0.1 million for the three months ended September 30, 2019. The 2020 gain represents the net proceeds of the sale of BOXR Platform assets as well as the proceeds from the sale of other long-lived assets in the three months ended September 30, 2020. The prior year gain is the result of the sale of certain long-live assets.

Other income

Other income for the three months ended September 30, 2020 represents sublease income recognized resulting from the sublease of a portion of our leased office space to Sotio. No sublease income was recorded for the three months ended September 30, 2019.

Change in fair value of CVR liability

Change in fair value of CVR liability for the three months ended September 30, 2020 represents the change in the fair value of the CVR liability.

Comparison of the nine months ended September 30, 2020 and 2019

The following table summarizes our results of operations for the nine months ended September 30, 2020 and 2019:

	Nine Months Ended September 30,		
	2020	2019	Change
	(in thousands)		
Collaboration revenue	$ 7,871	$ 7,211	$ 660
Operating expenses:			
Research and development	19,630	33,355	(13,725)
General and administrative	12,074	8,274	3,800
Acquired in-process research and development	46,910	—	46,910
Total operating expenses	78,614	41,629	36,985
Loss from operations	(70,743)	(34,418)	(36,325)
Other income (expense):			
Interest income	73	206	(133)
Gain on disposal of long-lived assets	7,470	82	7,388
Other income	239	—	239
Change in fair value of CVR liability	(509)	—	(509)
Total other income (expense), net	7,273	288	6,985
Net loss	$ (63,470)	$ (34,130)	$ (29,340)

Collaboration Revenue

Collaboration revenue recognized during the nine months ended September 30, 2020 and 2019 was $7.9 million and $7.2 million, respectively, this increase due to the recognition of revenue from payments received from Seattle Genetics under our recently terminated Collaboration Agreement. We recognize revenue from the upfront payment we received as well as ongoing reimbursements of research and development costs from Seattle Genetics by applying the costs-to-cost method over the performance period. Collaboration revenue fluctuates based upon our pattern of performance for each performance obligation and changes in estimated transaction price and costs to complete our performance obligations.

On January 16, 2020, Cogent and Seattle Genetics entered into an agreement to terminate the Collaboration Agreement (the "Termination Agreement") effective as of January 16, 2020 (the "Termination Effective Date"), pursuant to which the parties will cease all research, development, manufacturing and other exploitations of any and all research candidates and development candidates under the Collaboration Agreement, including, without limitation, the development candidate ACTR-BCMA and a research candidate.

Pursuant to terms of the Termination Agreement, among other things, (i) Seattle Genetics paid Cogent $5.75 million and (ii) Seattle Genetics surrendered, assigned and transferred to Cogent all of its right, title and interest in the 207,961 shares of Cogent's common stock owned by Seattle Genetics.

We adjusted the estimated transaction price to be the $25.0 million upfront payment from 2015 and the total payments to be earned for preclinical research and clinical development activities through the Termination Date. During the nine months ended September 30, 2020, we adjusted the transaction price to include the Termination Payment of $5.75 million as well as the aggregate fair value of $0.8 million as of January 16, 2020 of the 207,961 shares of common stock received. We also adjusted the costs to complete the remaining performance obligations to represent our best estimate as of September 30, 2020. Revenue during the nine months ended September 30, 2020 includes the termination payments previously discussed. All performance obligations have been completed as of September 30, 2020 and all revenue has been recognized under this collaboration agreement. There is no remaining deferred revenue balance as of September 30, 2020.

Research and Development Expenses

	Nine Months Ended September 30,		
	2020	2019	Change
	(in thousands)		
Direct research and development expenses:			
Legacy programs	$ 3,808	$ 12,937	$ (9,129)
PLX9486	794	—	$ 794
Unallocated expenses:			
Personnel related (including stock-based compensation)	10,215	11,582	$ (1,367)
Laboratory supplies, facility related and other	4,813	8,836	(4,023)
Total research and development expenses	$ 19,630	$ 33,355	$ (13,725)

Research and development expenses decreased by $13.7 million for the nine months ended September 30, 2020 compared to nine months ended September 30, 2019 primarily due to the conclusion of our legacy clinical trials and preclinical efforts and a reduced headcount, related to the restructuring, offset by stock compensation expense charges of $1.4 million based on the acceleration of all outstanding options related to the Kiq acquisition. The nine months ended September 30, 2020 includes a change in estimate of $0.8 million which resulted in a cost reversal for amounts associated with our legacy clinical trials.

General and Administrative Expenses

General and administrative expenses for the nine months ended September 30, 2020 were $12.1 million, compared to $8.3 million for the nine months ended September 30, 2019. The increase in general and administrative expenses was primarily due to increased personnel costs of $2.8 million, which includes stock compensation expense charges of $1.4 million based on the acceleration of all outstanding options related to the Kiq acquisition. Professional and consultant fees and facility and other costs of have increased $1.0 million as a result of the significant transactions occurring during the nine-months ended September 30, 2020, including increased legal, audit and consulting costs.

Acquired In-process Research and Development ("IPR&D")

We expensed acquired IPR&D, with an estimated fair value of $46.9 million, including $2.1 million of associated transaction costs, in connection with the Kiq asset acquisition as there was no alternative future use, as determined by Management in accordance with GAAP.

Interest Income

Interest income for the nine months ended September 30, 2020 and 2019 was $0.1 million and $0.2 million, respectively. Interest income decreased due to lower invested balances in the current year compared to the prior period.

Gain on disposal of long-lived assets

Gain on disposal of long-lived assets, net increased to $7.5 million for the nine months ended September 30, 2020 compared to $0.1 million for the nine months ended September 30, 2019. The 2020 gain represents the net proceeds of the sale of BOXR Platform assets as well as the proceeds from the sale of other long-lived assets in the nine months ended September 30, 2020. The prior year gain is the result of the sale of certain long-live assets.

Other income

Other income for the nine months ended September 30, 2020 represents sublease income recognized resulting from the sublease of a portion of our leased office space to Sotio. No sublease income was recorded for the nine months ended September 30, 2019.

Change in fair value of CVR liability

Change in fair value of CVR liability for the nine months ended September 30, 2020 represents the change in the fair value of the CVR liability.

Liquidity and Capital Resources

The COVID-19 outbreak created various impacts to our financials as a result of taking necessary precautions for essential personnel to operate safely both in person as well as remotely. Costs incurred include items like incremental payroll costs, consulting support, IT infrastructure and facilities related costs. The estimated impact of COVID-19 for the year is currently unknown. The final impact may vary based on the duration of the current social and economic conditions. We do not currently believe the accumulated costs will present a material impact to our financial liquidity or position. The extent to which the COVID-19 pandemic continues it may materially impact our financial condition, liquidity or results of operations in the future.

Since our inception, we have incurred significant operating losses. We have generated limited revenue to date from funding arrangements with our collaboration partner. We have not yet commercialized any of our product candidates and we do not expect to generate revenue from sales of any product candidates for several years, if at all. We have historically funded our operations primarily through the public offering and private placement of our securities and consideration received from our collaborative agreements.

On March 19, 2020, we entered into a Purchase Agreement with LPC, pursuant to which we may elect to sell to LPC up to $25,000,000 in shares of our Common Stock, subject to certain limitations and conditions set forth in the Purchase Agreement. Pursuant to the Purchase Agreement, we issued 181,595 shares of Common Stock to LPC as a commitment fee. As of September 30, 2020, 1,061,583 shares have been sold under this Purchase Agreement for proceeds of $10.7 million.

On July 9, 2020, we completed a PIPE and issued 118,638 Series A Preferred Stock to new and existing investors in exchange gross proceeds of $104.4 million, or net proceeds of $98.9 million, after deducting commissions and estimated offering costs.

As of September 30, 2020, we had cash and cash equivalents of $129.4 million, which will be sufficient to fund out operating expenses and capital expenditure requirements into 2023.

Cash Flows

The following table summarizes our sources and uses of cash for each of the periods presented:

	Nine Months Ended September 30,	
	2020	2019
	(in thousands)	
Cash used in operating activities	$ (26,484)	$ (33,069)
Cash provided by investing activities	8,420	23,172
Cash provided by financing activities	110,060	108
Net (decrease) increase in cash, cash equivalents and restricted cash	$ 91,996	$ (9,789)

Operating Activities

During the nine months ended September 30, 2020, operating activities used $26.5 million of cash, primarily resulting from our net loss of $63.5 million and net cash used by changes in our operating assets and liabilities of $5.9 million, partially offset by net non-cash charges of $42.9 million. Net cash used by changes in our operating assets and liabilities for the nine months ended September 30, 2020 consisted primarily of a $4.1 million decrease in accounts payable and accrued expenses and other current liabilities, a $1.3 million decrease in deferred revenue, a $0.4 million decrease in operating lease liabilities, and a $2.8 million increase in prepaid expenses and other current assets, partially offset by $2.0 million decrease in accounts receivable, a $0.2 million decrease in the right-of-use asset and a $0.4 million decrease in other assets.

During the nine months ended September 30, 2019, operating activities used $33.1 million of cash, primarily resulting from our net loss of $34.1 million and from net cash used by changes in our operating assets and liabilities of $2.2 million, partially offset by net non-cash charges of $3.2 million. Net cash used by changes in our operating assets and liabilities for the nine months ended September 30, 2019 consisted primarily of a $3.2 million decrease in deferred revenue and a $0.9 million decrease in prepaid expenses and other current assets and other assets, partially offset by a $0.8 million increase in accounts receivable and a $1.2 million increase in accounts payable and accrued expenses and other current liabilities.

Investing Activities

During the nine months ended September 30, 2020, net cash provided by investing activities of $8.4 million consisted of $8.1 million in proceeds from the disposal of BOXR assets as well as $0.3 million in proceeds from the sale of other property and equipment.

During the nine months ended September 30, 2019, net cash provided by investing activities of $23.2 million consisted of maturities and sales of marketable securities of $23.0 million and $0.2 million in proceeds from the sale of property and equipment offset by purchases of property and equipment of less than $0.1 million.

Financing Activities

During the nine months ended September 30, 2020, net used in financing activities was $110.1 million which consisted of the proceeds from the issuance of Series A non-voting preferred stock and common stock, from the issuance common stock upon stock option exercises and from the issuance of common stock under the Employee Stock Purchase Plan.

During the nine months ended September 30, 2019, net cash provided by financing activities was $0.1 million from the proceeds from the issuance of common stock upon stock option exercises.

Funding Requirements

We expect our expenses to increase in connection with our ongoing activities, particularly as we advance clinical development of our product candidates, preclinical activities, and wind-down our legacy clinical trials. The timing and amount of our operating expenditures will depend largely on:

- the initiation, progress, timing, and completion of preclinical studies and clinical trials for our current and future potential product candidates, including the impact of COVID-19 on our ongoing and planned research and development efforts;
- any delay in our regulatory filings for our product candidates and any adverse development or perceived adverse development with respect to the applicable regulatory authority's review of such filings, including without limitation the FDA's issuance of a "refusal to file" letter or a request for additional information;
- adverse results or delays in clinical trials;
- our decision to initiate a clinical trial, not to initiate a clinical trial, or to terminate an existing clinical trial;
- adverse regulatory decisions, including failure to receive regulatory approval of our product candidates;
- changes in laws or regulations applicable to our products, including but not limited to clinical trial requirements for approvals;
- adverse developments concerning our manufacturers;
- our inability to obtain adequate product supply for any approved product or inability to do so at acceptable prices;
- our inability to establish collaborations if needed;
- our failure to commercialize our product candidates;
- additions or departures of key scientific or management personnel; and
- unanticipated serious safety concerns related to the use of our product candidates.
- the impact of COVID-19 on the operations of key governmental agencies, such as the FDA, which may delay the development of our current product candidates or any future product candidates;

As of September 30, 2020, we had cash and cash equivalents of $129.4 million. We expect that our current cash and cash equivalents will enable us to fund our operating expenses and capital expenditure requirements into 2023. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. There is no assurance that we will be successful in obtaining benefits from cost saving measures implemented or planned or in obtaining additional financing on terms acceptable to us, if at all, nor is it considered probable under the accounting standards. As such, under the requirements of ASC 205-40, management may not consider the potential for future capital raises or management plans to reduce costs that are not considered probable in their assessment of our ability to meet our obligations.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our operations through a combination of equity offerings, debt financings, collaborations, strategic alliances, and marketing, distribution, or licensing 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 common stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making acquisitions or capital expenditures, or declaring dividends. If we raise additional funds through collaborations, strategic alliances, or marketing, distribution, or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or drug candidates, or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings or other arrangements when needed, we may be required to delay, limit, reduce, or terminate our research, product development, or future commercialization efforts, or grant rights to develop and market drug candidates that we would otherwise prefer to develop and market ourselves.

Critical Accounting Policies and Significant Judgments and Estimates

Our condensed consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States. The preparation of our condensed consolidated financial statements and related disclosures requires us to make estimates, assumptions and judgments that affect the reported amount of assets, liabilities, revenue, costs and expenses, and related disclosures. We believe that of our critical accounting policies described under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Significant Judgments and Estimates" in our Annual Report on Form 10-K, the following involve the most judgment and complexity:

- revenue recognition of collaboration agreements;
- accrued research and development expenses; and
- stock-based compensation.

Accordingly, we believe the policies set forth above are critical to fully understanding and evaluating our financial condition and results of operations. If actual results or events differ materially from the estimates, judgments and assumptions used by us in applying these policies, our reported financial condition and results of operations could be materially affected.

Off-Balance Sheet Arrangements

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

Recently Issued Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2 to our condensed consolidated financial statements appearing elsewhere in this Quarterly Report.

Emerging Growth Company Status

The Jumpstart Our Business Startups Act of 2012 ("JOBS Act") permits an "emerging growth company" such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies until those standards would otherwise apply to private companies. We have irrevocably elected to "opt out" of this provision and, as a result, we will comply with new or revised accounting standards when they are required to be adopted by public companies that are not emerging growth companies.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

We are a smaller reporting company, as defined in Rule 12b-2 of the Securities Exchange Act of 1934, as amended, for this reporting period and are not required to provide the information required under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our President and Chief Executive Officer and our Chief Financial Officer (our principal executive officer and principal financial officer, respectively), evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2020. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of September 30, 2020, our President and Chief Executive Officer and our Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

Other than the promotion of the Chief Financial Officer and the hiring of a Controller, management determined there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during the three months ended September 30, 2020.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We are not currently subject to any material legal proceedings.

Item 1A. Risk Factors

The following risk factors and other information included in this Quarterly Report on Form 10-Q should be carefully considered. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we presently deem less significant may also impair our business operations. You should carefully consider the risks described below, as well as the other information in this Quarterly Report on Form 10-Q, including our financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as our other filings with the Securities and Exchange Commission, before deciding whether to invest in our common stock. If any of the following risks occur, our business, financial condition, results of operations and future growth prospects could be materially and adversely affected.

Risks Related to the Discovery and Development of Our Drug Candidates

Risks Related to Product Development

Our business is highly dependent on the success of our future PLX9486 programs for the treatment of Systemic Mastocytosis ("SM") and Gastrointestinal Stromal Tumor ("GIST") and any other potential product candidates that we develop.

Our business and future success depend on our ability to obtain regulatory approval of and then successfully commercialize our PLX9486 program and other product candidates that we develop. All of our product candidates are in the early stages of development and will require additional preclinical and clinical development, regulatory review and approval, substantial investment, access to sufficient commercial manufacturing capacity and significant marketing efforts before we can generate any revenue from product sales.

If serious adverse events or unacceptable side effects are identified during the development of our drug candidates, we may need to abandon or limit such development.

If our drug candidates are associated with serious adverse events or undesirable side effects in preclinical or clinical trials or have characteristics that are unexpected, we may need to abandon their development, limit development to more narrow uses or subpopulations in which the serious adverse events, undesirable side effects or other characteristics are less prevalent, less severe, or more acceptable from a risk-benefit perspective or highlight these risks, side effects, or other characteristics in the approved product label. In pharmaceutical development, many drugs that initially show promise in early-stage testing for treating cancer may later be found to cause side effects that prevent further development of the drug. Currently marketed therapies for the treatment of cancer are generally limited to some extent by their toxicity. In addition, some of our drug candidates would be chronic therapies or be used in pediatric populations, for which safety concerns may be particularly important. Use of our drug candidates as monotherapies may also result in adverse events consistent in nature with other marketed therapies. In addition, if used in combination with other therapies in the future, our drug candidates may exacerbate adverse events associated with the therapy. If serious adverse events or unexpected side effects are identified during development, we may be required to develop a Risk Evaluation and Mitigation Strategy ("REMS") to mitigate those serious safety risks, which could impose significant distribution and/or use restrictions on our products.

We may choose not to develop a potential product candidate, or we may suspend, deprioritize or terminate one or more discovery programs or preclinical or clinical product candidates or programs.

At any time and for any reason, we may determine that one or more of our discovery programs or preclinical or clinical product candidates or programs does not have sufficient potential to warrant the allocation of resources toward such program or product candidate. Accordingly, we may choose not to develop a potential product candidate or elect to suspend, deprioritize or terminate one or more of our discovery programs or preclinical or clinical product candidates or programs. If we suspend, deprioritize or terminate a program or product candidate in which we have invested significant resources, we will have expended resources on a program or product candidate that will not provide a full return on our investment and may have missed the opportunity to have allocated those resources to potentially more productive uses, including existing or future programs or product candidates. For example, we concluded enrollment in our ATTCK-20-2 study in the first half of 2019 as a result of emerging clinical data from our Phase 1 ATTCK-20-03 trial, the continuing progress in our ATTCK-20-03 trial, and our desire to efficiently manage resources for our clinical programs. In November 2019, we announced our decision to deprioritize our hematologic programs, to shift our focus to our solid tumor programs and the suspension of further dose escalation in the ATTCK-17-01 trial, pending review of next steps with our collaboration partner, Seattle Genetics. On January 16, 2020, we and Seattle Genetics announced an agreement to terminate the ATTCK-17-01 Phase 1

clinical trial and other research activities under the Collaboration Agreement. In March 2020, we announced the decision to conclude the remaining Phase 1 clinical trials, ATTCK-20-03 and ATTCK-34-01, to focus on development of BOXR1030 and the BOXR platform.

If we fail to develop additional product candidates, our commercial opportunity will be limited.

We are developing a pipeline of product candidates and intend to pursue clinical development of PLX9486 to target SM and GIST and any other product candidates. Developing, obtaining regulatory approval for and commercializing additional product candidates will require substantial additional funding beyond the net proceeds from the public offering and private placement of our securities and consideration received from our collaborative agreements and is prone to the risks of failure inherent in medical product development. We cannot provide you any assurance that we will be able to successfully advance any of these additional product candidates through the development process.

Even if we receive FDA approval to market additional product candidates for the treatment of cancer, we cannot assure you that any such product candidates will be successfully commercialized, widely accepted in the marketplace or more effective than other commercially available alternatives. If we are unable to successfully develop and commercialize additional product candidates, our commercial opportunity will be limited. Moreover, a failure in obtaining regulatory approval of additional product candidates may have a negative effect on the approval process of any other, or result in losing approval of any approved product candidate.

We may form or seek collaborations or strategic alliances or enter into additional licensing arrangements in the future, and we may not realize the benefits of such collaborations, alliances or licensing arrangements.

We may form or seek strategic alliances, create joint ventures or collaborations, or enter into additional licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to our product candidates and any future product candidates that we may develop. In particular, we may seek to enter into collaborations with our PLX9486 program and other collaborations to progress the clinical development of the PLX9486 program. Any of these relationships may require us to incur non-recurring and other charges, increase our near and long-term expenditures, issue securities that dilute our existing stockholders or disrupt our management and business.

In addition, we face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex. Moreover, we may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for our product candidates because they may be deemed to be at too early of a stage of development for collaborative effort and third parties may not view our product candidates as having the requisite potential to demonstrate safety and efficacy and obtain marketing approval.

Further, collaborations involving our product candidates are subject to numerous risks, which may include the following:

- collaborators have significant discretion in determining the efforts and resources that they will apply to a collaboration;
- collaborators may not pursue development and commercialization of our product candidates or may elect not to continue or renew development or commercialization of our product candidates based on clinical trial results, changes in their strategic focus due to the acquisition of competitive products, availability of funding or other external factors, such as a business combination that diverts resources or creates competing priorities;
- collaborators may cease to devote resources to the development or commercialization of our product candidates if the collaborators view our product candidates as competitive with their own products or product candidates;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial, stop a clinical trial, abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our product candidates;
- a collaborator with marketing and distribution rights to one or more products may not commit sufficient resources to their marketing and distribution;
- any such collaboration may significantly limit our share of potential future profits from the associated program and may require us to relinquish potentially valuable rights to our current product candidates, potential products, proprietary technologies, or grant licenses on terms that are not favorable to us;
- the collaborations may not result in us achieving revenue to justify such transactions;

- 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;
- collaborators may be impacted by changes in their strategic focus or available funding, or business combinations involving them, which could cause them to divert resources away from the collaboration;
- disagreements with collaborators, including disagreements over proprietary rights, contract interpretation, or the course of development, might cause delays or termination of the development or commercialization of product candidates, and might result in legal proceedings, which would be time consuming, distracting, and expensive;
- collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable product candidates;
- collaborations may be terminated and upon termination, could result in potential litigation and arbitration proceeding. Further, if we were to incur a loss in the arbitration proceeding, depending on the ruling, we could also be responsible for certain attorney's fees and interest. Given the inherent uncertainty of arbitration and the nature of the potential claim or claims, it is possible that we may incur material losses; and
- collaborators may own or co-own intellectual property covering our products that results from our collaborating with them, and in such cases, we would not have the exclusive right to commercialize such intellectual property.

Even if we are successful in entering into a collaboration with respect to the development and/or commercialization of one or more product candidates, there is no guarantee that the collaboration will be successful. As a result, a collaboration may not result in the successful development or commercialization of our product candidates.

The incidence and prevalence for target patient populations of our drug candidates have not been established with precision. If the market opportunities for our drug candidates are smaller than we estimate or if any approval that we obtain is based on a narrower definition of the patient population, our revenue potential and ability to achieve profitability will be adversely affected.

The precise incidence and prevalence for GIST and SM 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 drug candidates, are based on estimates, which are inherently uncertain.

The total addressable market opportunity for PLX9486, and any other drug candidates we may produce will ultimately depend upon, among other things, the diagnosis criteria included in the final label for our future approved drugs for sale for these indications, acceptance by the medical community and patient access, drug pricing, and reimbursement. The number of patients in our targeted commercial markets and elsewhere may turn out to be lower than expected, patients may not be otherwise amenable to treatment with our drug, or new patients may become increasingly difficult to identify or gain access to, all of which would adversely affect our results of operations and our business.

The commercial success of any future approved drugs, including PLX9486, will depend upon the degree of market acceptance by physicians, patients, third-party payors, and others in the medical community.

The commercial success of PLX9486, and of any future approved drugs, will depend in part on market acceptance by physicians, patients, third-party payors, and others in the medical community. For example, current cancer treatments, such as surgery, existing targeted therapies, chemotherapy, and radiation therapy, are well established in the medical community, and doctors may continue to rely on these treatments. If PLX9486 and any future approved drugs do not achieve an adequate level of acceptance, we may not generate significant product revenues and we may not become profitable. The degree of market acceptance of PLX9486 and of any current or future drug candidates, if approved for commercial sale, will depend on a number of factors, including:

- the availability, perceived advantages, and relative cost, safety, and efficacy of alternative and competing treatments;
- the prevalence and severity of any side effects, adverse reactions, misuse, or any unfavorable publicity in these areas, in particular compared to alternative treatments;
- our ability (and the ability of our licensees) to offer our products for sale at competitive prices;
- the convenience and ease of administration compared to alternative treatments;

- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the strength and effectiveness of our marketing, sales, and distribution strategy and efforts, including, without limitation, our own and that of our licensees and distributors, and the degree to which the approved labeling supports promotional initiatives for commercial success;
- the existence of distribution and/or use restrictions, such as through a REMS;
- the availability and timeliness of third-party payor coverage and adequate reimbursement;
- the inability of patients to afford the out-of-pocket costs of their drug therapy based on their insurance coverage and/or benefit design;
- the timing of any marketing approval in relation to other product approvals;
- support from patient advocacy groups;
- the labeling of our products, including any significant use or distribution restrictions or safety warnings; and
- any restrictions on the use of our products together with other medications.

Even if a potential drug displays a favorable efficacy and safety profile in preclinical and clinical studies, market acceptance of the drug will not be known until after it is launched. Our efforts to educate the medical community and third-party payors on the benefits of our drug may require significant resources and may never be successful. Our efforts to educate the marketplace may require more resources than are required by the therapies marketed by our competitors. Any of these factors may cause PLX9486, or any future approved drugs, to be unsuccessful or less successful than anticipated.

Risks Related to Clinical Trials

Clinical trials are expensive, time-consuming, and difficult to design and implement.

Human clinical trials are expensive and difficult to design and implement, in part because they are subject to rigorous regulatory requirements. We are unable to predict when or if our drug or any of our drug candidates will prove effective or safe in humans or will obtain marketing approval. Before obtaining marketing approval from regulatory authorities for the sale of any drug candidate, we must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of our drug candidates in humans. Clinical testing is expensive, difficult to design and implement, and can take many years to complete and is uncertain as to the outcome. A failure of one or more clinical trials can occur at any stage of testing. The outcome of preclinical testing and early clinical trials may not be predictive of the success of later clinical trials, interim or preliminary results of a clinical trial do not necessarily predict final results, and results for one indication may not be predictive of the success in additional indications. In particular, the small number of patients in our early clinical trials may make the results of these trials less predictive of the outcome of later clinical trials. There is typically an extremely high rate of attrition from the failure of product candidates proceeding through clinical trials. A number of companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy, insufficient durability of efficacy, or unacceptable safety issues, notwithstanding promising results in earlier trials. Most product candidates that commence clinical trials are never approved as products.

We may experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our ability to obtain marketing approval or commercialize our drug or drug candidates, including:

- regulators may not authorize us to commence or continue a clinical trial or may impose a clinical hold or may limit the conduct of a clinical trial through the imposition of a partial clinical hold;
- institutional review boards (“IRBs”) may not authorize us or our investigators to commence or continue a clinical trial at a prospective trial site or an IRB may not approve a protocol amendment to an ongoing clinical trial;
- we may experience delays in reaching, or fail to reach, agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites;
- clinical trials may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials, delay planned trials, or abandon product development programs;
- the number of patients required for clinical trials for our drug candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate, participants may drop out of these clinical trials at a higher rate than we anticipate, or the duration of these clinical trials may be longer than we anticipate;

- our third-party contractors, including investigators, may fail to meet their contractual obligations to us in a timely manner, or at all, due to interruptions to their business or may fail to comply with regulatory requirements;
- we may have to suspend, change, or terminate clinical trials for various reasons, including a finding that the participants are being exposed to unacceptable health risks;
- our drug or drug candidates may have undesirable side effects or other unexpected characteristics, causing us or our investigators, regulators, or IRBs to suspend, change, or terminate the trials;
- unforeseen global instability, including political instability or instability from an outbreak of pandemic or contagious disease, such as COVID-19, in or around the countries in which we conduct our clinical trials or where our third-party contractors operate, could delay the commencement or rate of completion of our clinical trials;
- the cost of clinical trials for our drug candidates may be greater than we anticipate; and
- the supply or quality of our drug or drug candidates or other materials necessary to conduct clinical trials may be insufficient or inadequate and result in delays or suspension of our clinical trials.

Our product development costs will increase if we experience delays in preclinical studies or clinical trials or in obtaining marketing approvals. We do not know whether any of our planned preclinical studies or clinical trials will begin on a timely basis or at all, will need to be restructured, or will be completed on schedule, or at all. Our ongoing trials continue to generate additional data that may be requested by the FDA. The FDA may request additional information or data and any such requests could result in clinical trial delays. Furthermore, the FDA could place a clinical hold, either another partial clinical hold or a full clinical hold, on our trials if they are not satisfied with the information we provide to them, which could result in delays for the trial. Significant preclinical study or clinical trial delays also could shorten any periods during which we may have the exclusive right to commercialize our drug candidates or allow our competitors to bring products to market before we do and impair our ability to successfully commercialize our drug candidates and may harm our business and results of operations.

We may utilize companion diagnostics in our planned clinical trials in the future in order to identify appropriate patient populations. If a satisfactory companion diagnostic is not commercially available, we may be required to create or obtain one that would be subject to regulatory approval requirements. The process of obtaining or creating such diagnostic is time consuming and costly.

Since the number of patients that we have dosed in our Phase 1 clinical trials is small, the results from such clinical trials may be less reliable than results achieved in larger clinical trials, which may hinder our efforts to obtain regulatory approval for our product candidates.

A study design that is considered appropriate for regulatory approval includes a sufficiently large sample size with appropriate statistical power, as well as proper control of bias, to allow a meaningful interpretation of the results. The preliminary results of trials with smaller sample sizes can be disproportionately influenced by the impact the treatment had on a few individuals, which limits the ability to generalize the results across a broader community, thus making the study results less reliable than studies with a larger number of patients. As a result, there may be less certainty that such product candidates would achieve a statistically significant effect in any future clinical trials. If we conduct any future clinical trials, we may not achieve a statistically significant result or the same level of statistical significance, if any, that we may have seen in prior clinical trials. Additionally, our inability to dose a sufficient number of patients in our clinical trials could result in significant delays and could require us to abandon one or more clinical trials altogether. Delays in our clinical trials may result in increased development costs for our drug candidates, which would cause the value of our company to decline and limit our ability to obtain additional financing.

If we encounter difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

We may experience difficulties in patient enrollment in our clinical trials for a variety of reasons. The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of patients who remain in the study until its conclusion. The enrollment of patients depends on many factors, including:

- the patient eligibility criteria defined in the protocol;
- the size of the patient population required for analysis of the trial’s primary endpoints;
- the proximity of patients to trial sites;
- the design of the trial;

- our ability to recruit clinical trial investigators with the appropriate competencies and experience;
- our ability to obtain and maintain patient consents;
- the perceived risks and benefits of our product candidate in the trial;
- reporting of the preliminary results of any of our clinical trials; and
- the risk that patients enrolled in clinical trials will drop out of the trials before the manufacturing and infusion of our product candidates or trial completion.

In addition, our clinical trials will compete with other clinical trials for product candidates that are in the same therapeutic areas as our product candidates, and this competition will reduce the number and types of patients available to us because some patients who might have opted to enroll in our trials may instead opt to enroll in a trial being conducted by one of our competitors. Since the number of qualified clinical investigators is limited, we expect to conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients who are available for our clinical trials at such clinical trial sites. Moreover, because our product candidates represent a departure from more commonly used methods for cancer treatment, potential patients and their doctors may be inclined to use conventional therapies, such as chemotherapy and hematopoietic stem cell transplantation, rather than enroll patients in any future clinical trial. Delays in patient enrollment may result in increased costs or may affect the timing or outcome of our ongoing and planned clinical trials, which could prevent completion or commencement of these trials and adversely affect our ability to advance the development of our product candidates.

Interim, "top-line" and preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available, may be interpreted differently if additional data are disclosed, and are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may publicly disclose preliminary or "top-line" data from our clinical trials, which may be based on a preliminary analysis of then-available data in a summary or "top-line" format, and the results and related findings may change as more patient data become available, may be interpreted differently if additional data are disclosed at a later time and are subject to audit and verification procedures that could result in material changes in the final data. If additional results from our clinical trials are not viewed favorably, our ability to obtain approval for and commercialize our drug candidates, our business, operating results, prospects, or financial condition may be harmed and our stock price may decrease.

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 preliminary or top-line results that we report may differ from future results of the same trials, or different conclusions or considerations may qualify such results, once additional data have been disclosed and/or are received and fully evaluated. Such 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, preliminary and "top-line" data should be viewed with caution until the final data are available. We may also disclose interim data from our clinical trials. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Adverse differences between preliminary or interim data and final data could significantly harm our business prospects.

Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions, or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular drug candidate or product, and our business in general. Additionally, our Phase 1/2 clinical trial of PLX9486 was an open-label trial and future trials we may conduct may be open-label trials. An "open-label" clinical trial is one where both the patient and investigator know whether the patient is receiving the investigational product candidate or either an existing approved drug or placebo. Most typically, open-label clinical trials test only the investigational product candidate and sometimes may do so at different dose levels. Open-label clinical trials are subject to various limitations that may exaggerate any therapeutic effect as patients may be subject to a "patient bias" where patients perceive their symptoms to have improved merely due to their awareness of receiving an experimental treatment. Moreover, patients selected for early clinical studies often include those patients with the most severe symptoms, which may have improved notwithstanding the new treatment. In addition, open-label clinical trials may be subject to an "investigator bias" where those assessing and reviewing the physiological outcomes of the clinical trials are aware of which patients have received treatment and may interpret the information of the treated group more favorably given this knowledge. The results from an open-label trial may not be predictive of future clinical trial results with any of our product candidates for which we include an open-label clinical trial when studied in a controlled environment with a placebo or active control.

We may not be able to file investigational new drug applications ("INDs") or IND amendments or clinical trial authorization applications ("CTAs") to commence additional clinical trials on the timelines we expect, and even if we are able to, the FDA or other regulatory authorities may not permit us to proceed.

Our timing of filing INDs or CTAs on our product candidates is dependent on further research. We cannot be sure that submission of an IND or CTA will result in the FDA or other regulatory authority allowing further clinical trials to begin, or that, once begun, issues will not arise that suspend or terminate such clinical trials. Additionally, even if such regulatory authorities agree with the design and implementation of the clinical trials set forth in an IND or CTA, we cannot guarantee that such regulatory authorities will not change their requirements in the future. These considerations also apply to new clinical trials we may submit as amendments to existing INDs or CTAs.

We have limited experience as a company conducting clinical trials or managing a manufacturing facility for our product candidates.

We have limited experience as a company in conducting clinical trials. In part because of this lack of experience, we cannot be certain that our ongoing clinical trials will be completed on time or if the planned clinical trials will begin or be completed on time, if at all. Large-scale trials would require significant additional financial and management resources and reliance on third-party clinical investigators, CROs, or consultants. Relying on third-party clinical investigators or CROs may force us to encounter delays that are outside of our control.

In the future, we also intend to operate our own manufacturing facility, which will require significant resources, and we have limited experience as a company in expanding or managing a manufacturing facility. In part because of this lack of experience, we cannot be certain that our manufacturing facility will be completed on time, if at all, or if the planned clinical trials will begin or be completed on time, if at all. In part because of our inexperience, we may have unacceptable or inconsistent product quality success rates and yields, and we may be unable to maintain adequate quality control, quality assurance and qualified personnel. In addition, if we switch from one manufacturing facility to our own manufacturing facility for one or more of our product candidates in the future, we may need to conduct additional preclinical studies to bridge our modified product candidates to earlier versions. Failure to successfully create and operate our proposed manufacturing facility could adversely affect the commercial viability of our product candidates.

Risks Related to Business and Competition

We currently have no marketing and sales organization and have no experience in marketing products. If we are unable to establish marketing and sales capabilities or enter into agreements with third parties to market and sell our product candidates, if approved, we may not be able to generate product revenue.

We currently have no sales, marketing or distribution capabilities and have no experience in marketing products. We intend to develop an in-house marketing organization and sales force, which will require significant capital expenditures, management resources and time. We will have to compete with other pharmaceutical and biotechnology companies to recruit, hire, train and retain marketing and sales personnel.

If we are unable or decide not to establish internal sales, marketing and distribution capabilities, we will pursue collaborative arrangements regarding the sales and marketing of our products, if approved. However, there can be no assurance that we will be able to establish or maintain such collaborative arrangements, or if we are able to do so, that they will have effective sales forces. Any revenue we receive will depend upon the efforts of such third parties, which may not be successful. We may have little or no control over the marketing and sales efforts of such third parties and our revenue from product sales may be lower than if we had commercialized our product candidates ourselves. We also face competition in our search for third parties to assist us with the sales and marketing efforts of our product candidates.

A variety of risks associated with marketing our product candidates internationally could materially adversely affect our business.

We plan to seek regulatory approval of our product candidates outside of the United States and, accordingly, we expect that we will be subject to additional risks related to operating in foreign countries if we obtain the necessary approvals, including:

- differing regulatory requirements in foreign countries;
- unexpected changes in tariffs, trade barriers, price and exchange controls and other regulatory requirements;
- economic weakness, including inflation, or political instability in particular foreign economies and markets;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- foreign taxes, including withholding of payroll taxes;

- foreign currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country;
- difficulties staffing and managing foreign operations;
- workforce uncertainty in countries where labor unrest is more common than in the United States;
- potential liability under the Foreign Corrupt Practices Act of 1977 or comparable foreign regulations;
- challenges enforcing our contractual and intellectual property rights, especially in those foreign countries that do not respect and protect intellectual property rights to the same extent as the United States;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions, including war and terrorism.

These and other risks associated with our international operations may materially adversely affect our ability to attain or maintain profitable operations.

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

The development and commercialization of new pharmaceutical and biotechnology products is highly competitive. We face competition with respect to our current clinical-stage drug candidates and will face competition with respect to any drug candidates that we may seek to develop or commercialize in the future, from major pharmaceutical companies, specialty pharmaceutical companies, and biotechnology companies worldwide. There are a number of large pharmaceutical and biotechnology companies that currently market and sell products or are pursuing the development of products for the treatment of the disease indications for which we are developing our drug candidates. Some of these competitive products and therapies are based on scientific approaches that are similar to our approach, and others are based on entirely different approaches. Potential competitors also include academic institutions, government agencies, and other public and private research organizations that conduct research, seek patent protection, and establish collaborative arrangements for research, development, manufacturing, and commercialization.

Specifically, there are a large number of pharmaceutical and biotechnology companies developing or marketing treatments for cancer and hematologic diseases that would be competitive with PLX9486 and the drug candidates we are developing, if such drug candidates are approved. Many of these companies are developing therapeutics that are also kinase inhibitors. Specifically, there are a number of large pharmaceutical companies and biotechnology companies marketing small molecule drugs or biologic drugs for the treatment of GIST and/or SM, including Blueprint Medicines Corporation (“BPMC”), Novartis AG (“Novartis”), Pfizer, Inc. (“Pfizer”), and Bayer AG. We are also aware of pharmaceutical and biotechnology companies developing drugs for the treatment of GIST and/or SM including AB Sciences S.A., ARIAD Pharmaceuticals, Inc., a wholly-owned subsidiary of Takeda Pharmaceutical Company Limited, Arog Pharmaceuticals, Inc., AstraZeneca plc, BPMC, Chia Tai Tianqing Pharmaceutical Group CO., LTD, Celldex Therapeutics, Inc., Daiichi Sankyo Company, Limited, Deciphera Pharmaceuticals, LLC, Exelixis, Inc., Immunicum AB, Jiangsu HengRui, Inc., Ningbo Tai Kang Medical Technology Co. Ltd., Novartis, Taiho Pharmaceutical Co. Ltd, and Xencor, Inc. Some of these competitors are further along in their clinical development programs than we are in ours.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are approved for broader indications or patient populations, are approved for specific sub-populations, are more convenient or are less expensive than PLX9486 or any other products that we may develop. Our competitors also may obtain FDA or other marketing approval for their products more rapidly than any approval we may obtain for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. In addition, our ability to compete may be affected in many cases by insurers or other third-party payors seeking to encourage the use of generic products.

Many of the companies against which we are competing or against which we may compete in the future have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining marketing approvals, and marketing and selling approved products than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific, management, and sales and marketing personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

Risks Related to Litigation

If product liability lawsuits are brought against us, we may incur substantial liabilities and may be required to limit commercialization of our product candidates.

We face an inherent risk of product liability as a result of the clinical testing of our product candidates and will face an even greater risk if we commercialize any products. For example, we may be sued if our product candidates cause or are perceived to cause injury or are found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability or a breach of warranties. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of our product candidates. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for our product candidates or products that we may develop;
- injury to our reputation;
- withdrawal of clinical trial participants;
- initiation of investigations by regulators;
- costs to defend the related litigation;
- a diversion of management's time and our resources;
- substantial monetary awards to trial participants or patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue;
- exhaustion of any available insurance and our capital resources;
- the inability to commercialize any product candidate; and
- a decline in our share price.

Failure to obtain or retain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of products we develop, alone or with corporate collaborators. Although we have clinical trial insurance, our insurance policies also have various exclusions, and we may be subject to a product liability claim for which we have no coverage. We may have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts. Even if our agreements with any future corporate collaborators entitle us to indemnification against losses, such indemnification may not be available or adequate should any claim arise.

Risks Related to the Impact of the COVID-19 Coronavirus

The current pandemic of the novel coronavirus, or COVID-19, and the future outbreak of other highly infectious or contagious diseases, could seriously harm our development efforts, increase our costs and expenses and have a material adverse effect on our business, financial condition and results of operations.

The extent to which the COVID-19 pandemic, or the future outbreak of any other highly infectious or contagious diseases, impacts our operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of such pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others. The rapid development and fluidity of this situation precludes any prediction as to the full adverse impact of the COVID-19 pandemic. Nevertheless, the COVID-19 pandemic may adversely affect our business, financial condition and results of operations, including the below:

- Our operating plan currently includes efforts to advance our PLX9486 product candidate, for the treatment of SM and GIST into further clinical development. We currently rely on third parties to, among other things, manufacture raw materials, manufacture our product candidates for our future preclinical and clinical programs and supply other goods and services to run our business. If any such third party in our supply chain for materials is adversely impacted by restrictions resulting from the COVID-19 pandemic, including staffing shortages, production slowdowns and disruptions in delivery systems, our

supply chain may be disrupted, limiting our ability to manufacture our product candidate for our preclinical program and conduct our research and development operations.

- Health regulatory agencies globally may experience disruptions in their operations as a result of the COVID-19 pandemic. The FDA and comparable foreign regulatory agencies may have slower response times or be under-resourced to continue to monitor our clinical trials and, as a result, review, inspection, and other timelines may be materially delayed. It is unknown how long these disruptions could continue, were they to occur.
- The trading prices for our common stock and other biopharmaceutical companies have been highly volatile as a result of the COVID-19 pandemic. As a result, we may face difficulties raising capital through sales of our common stock or such sales may be on unfavorable terms. In addition, a recession, depression or other sustained adverse market event resulting from the COVID-19 pandemic could materially and adversely affect our business and the value of our common stock.

Risks Related to Our Reliance on Third Parties

We currently rely and for the foreseeable future will continue to rely on third parties to conduct our clinical trials. If these third parties do not properly and successfully carry out their contractual duties or meet expected deadlines, we may not be able to obtain regulatory approval of or commercialize our product candidates.

We depend and will depend upon independent investigators and collaborators, such as medical institutions, CROs, commercial manufacturing organizations ("CMOs") and strategic partners to conduct our preclinical studies and clinical trials under agreements with us. We expect to have to negotiate budgets and contracts with CROs, trial sites and CMOs which may result in delays to our development timelines and increased costs. We will rely heavily on these third parties over the course of our clinical trials, and we control only certain aspects of their activities. As a result, we have less direct control over the conduct, timing and completion of these clinical trials and the management of data developed through clinical trials than would be the case if we were relying entirely upon our own staff. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our reliance on third parties does not relieve us of our regulatory responsibilities. We and these third parties are required to comply with good clinical practices (GCPs), which are regulations and guidelines enforced by the FDA and comparable foreign regulatory authorities for product candidates in clinical development. Regulatory authorities enforce these GCPs through periodic inspections of trial sponsors, principal investigators and trial sites. If we or any of these third parties fail to comply with applicable GCP regulations, 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 before approving our marketing applications. We cannot assure you that, upon inspection, such regulatory authorities will determine that any of our clinical trials comply with the GCP regulations. In addition, our clinical trials must be conducted under current good manufacturing practices ("cGMP") regulations and will require a large number of test patients. Our failure or any failure by these third parties to comply with these regulations or to recruit a sufficient number of patients may require us to repeat clinical trials, which would delay the regulatory approval process. Moreover, our business may be implicated if any of these third parties violates federal or state fraud and abuse or false claims laws and regulations or healthcare privacy and security laws.

Any third parties conducting our clinical trials are not and will not be our employees and, except for remedies available to us under our agreements with such third parties, we cannot control whether or not they devote sufficient time and resources to our ongoing, clinical and nonclinical product candidates. These third parties may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical trials or other drug development activities, which could affect their performance on our behalf. If these third parties do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols or regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to complete development of, obtain regulatory approval of or successfully commercialize our product candidates. As a result, our financial results and the commercial prospects for our product candidates would be harmed, our costs could increase and our ability to generate revenue could be delayed.

If any CMO with whom we contract fails to perform its obligations, we may be forced to manufacture the materials ourselves, for which we may not have the capabilities or resources, or enter into an agreement with a different CMO, which we may not be able to do on reasonable terms, if at all. In either scenario, our clinical trials supply could be delayed significantly as we establish alternative supply sources. In some cases, the technical skills required to manufacture our products or product candidates may be unique or proprietary to the original CMO and we may have difficulty, or there may be contractual restrictions prohibiting us from, transferring such skills to a back-up or alternate supplier, or we may be unable to transfer such skills at all. In addition, if we are required to change CMOs for any reason, we will be required to verify that the new CMO maintains facilities and procedures that comply with quality standards and with all applicable regulations. We will also need to verify, such as through a manufacturing comparability study, that any new manufacturing process will produce our product candidate according to the specifications previously submitted to the FDA or another regulatory authority. The delays associated with the verification of a new CMO could negatively affect our ability to develop product candidates or commercialize our products in a timely manner or within budget. Furthermore, a CMO may possess technology related to the manufacture of our product candidate that such CMO owns independently. This would increase our reliance on such CMO or require us to obtain a license from such CMO in order to have another CMO manufacture our product candidates. In addition, changes in manufacturers often involve changes in manufacturing procedures and processes, which could require that we conduct bridging studies between our prior clinical supply used in our clinical trials and that of any new manufacturer. We may be unsuccessful in demonstrating the comparability of clinical supplies which could require the conduct of additional clinical trials.

Switching or adding third parties to conduct our clinical trials involves substantial cost and requires extensive management time and focus. In addition, there is a natural transition period when a new third party commences work. As a result, delays occur, which can materially impact our ability to meet our desired clinical development timelines.

Risks Related to Third Party Manufacturing

We contract with third parties for the manufacture of our drug candidates for preclinical development and clinical trials. This reliance on third parties increases the risk that we will not have sufficient quantities of our drug candidates or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.

We do not currently own or operate, nor do we have any plans to establish in the future, any manufacturing facilities or personnel. We rely, and expect to continue to rely, on third parties for the manufacture of our drug candidates for preclinical development and clinical testing, as well as for the commercial manufacture of our current and future drugs. This reliance on third parties increases the risk that we will not have sufficient quantities of our drug candidates or such quantities at an acceptable cost or quality, which could delay, prevent or impair our development or commercialization efforts.

The facilities used by our contract manufacturers to manufacture our drug candidates must be approved by the FDA pursuant to inspections that will be conducted after we submit our marketing applications to the FDA. We do not control the manufacturing process of, and will be completely dependent on, our contract manufacturers for compliance with cGMPs in connection with the manufacture of our drug candidates. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or others, they will not be able to secure and/or maintain regulatory approval for their manufacturing facilities. In addition, we have no control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or a comparable foreign regulatory authority does not approve these facilities for the manufacture of our drug candidates or is unable to conduct inspections necessary to approve these facilities due to delays or disruptions caused by the COVID-19 pandemic, or if the FDA or a comparable regulatory authority withdraws any such approval in the future, we may be delayed in obtaining approval of these facilities for the manufacture of our drug candidates or need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our drug candidates, if approved. Further, our failure, or the failure of our third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of drug candidates or drugs, if approved, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect our business and supplies of our drug candidates.

In response to the COVID-19 pandemic, on March 10, 2020 the FDA announced its intention to postpone most inspections of foreign manufacturing facilities and products while local, national and international conditions warrant. On March 18, 2020, the FDA announced its intention to temporarily postpone routine surveillance inspections of domestic manufacturing facilities and provided guidance regarding the conduct of clinical trials which the FDA continues to update. As of June 23, 2020, the FDA noted it was conducting mission critical domestic and foreign inspections to ensure compliance of manufacturing facilities with FDA quality standards. However, the FDA may not be able to maintain this pace and delays or setbacks are possible in the future. Beginning the week of July 20, 2020, FDA began to work toward resuming prioritized domestic inspections, and as described in an FDA statement on July 10, 2020, the FDA has developed a rating system to assist in determining when and where it is safest to conduct prioritized

domestic inspections. Regulatory authorities outside the U.S. may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic and may experience delays in their regulatory activities.

We do not have long-term supply agreements with all of our contract manufacturers, and purchase our required drug supply, including the API, drug product and drug substance used in our drug candidates, on a purchase order basis with certain contract manufacturers. In addition, we may be unable to establish or maintain any agreements with third-party manufacturers or to do so on acceptable terms. Even if we are able to establish and maintain agreements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including:

- reliance on the third party for regulatory compliance and quality assurance;
- the possible breach of the manufacturing agreement by the third party;
- the possible misappropriation of our proprietary information, including our trade secrets and know-how; and
- if the third party ceased its operations for any reason;
- our relative importance as a customer to the third party and whether the third party subordinates our needs to its other customers;
- the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us.

For our other potential products, if we are not able to negotiate commercial supply terms with any such third-party manufacturers, we may be unable to commercialize our products if they were to be approved, and our business and financial condition would be materially harmed. If we are forced to accept unfavorable terms for our relationships with any such third-party manufacturer, our business and financial condition would be materially harmed.

Third-party manufacturers may not be able to comply with the FDA's cGMP regulations or similar regulatory requirements outside of the U.S. Our failure, or the failure of our third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, seizures or voluntary recalls of drug candidates or products, operating restrictions, and criminal prosecutions, any of which could significantly and adversely affect supplies of our products. Third-party manufacturers' failure to achieve and maintain high manufacturing standards, in accordance with applicable regulatory requirements, or the incidence of manufacturing errors, also could result in patient injury or death, product shortages, delays or failures in product testing or delivery, cost overruns, or other problems that could seriously harm our business. Third-party manufacturers often encounter difficulties involving production yields, quality control, and quality assurance, as well as shortages of qualified personnel.

Our drug candidates may compete with other drug candidates for access to manufacturing facilities. As a result, we may not obtain access to these facilities on a priority basis or at all. There are a limited number of manufacturers that operate under cGMP regulations and that might be capable of manufacturing for us.

Our current and anticipated future dependence upon others for the manufacture of our drug candidates could result in significant delays or gaps in availability of such drugs or drug candidates and may adversely affect our future profit margins and our ability to commercialize any drugs that receive marketing approval on a timely and competitive basis.

The third parties upon whom we rely for the supply of the API, drug substance and drug product used in PLX9486 are our sole source of supply, and the loss of any of these suppliers could significantly harm our business.

The API, drug substance and drug product used in PLX9486 are currently supplied to us from single-source suppliers. Our ability to successfully develop our drug candidates, supply our drug candidates for clinical trials and to ultimately supply our commercial drugs in quantities sufficient to meet the market demand, depends in part on our ability to obtain the API, drug substance and drug product for these drugs in accordance with regulatory requirements and in sufficient quantities for clinical testing and commercialization. We will need to enter into arrangements to establish redundant or second-source supply of some of the API, drug product or drug substance. If any of our suppliers ceases its operations for any reason or is unable or unwilling to supply API, drug product or drug substance in sufficient quantities or on the timelines necessary to meet our needs, including as a result of the COVID-19 pandemic, it could significantly and adversely affect our business, the supply of our current or future drug candidates or any future approved drugs and our financial condition.

For PLX9486 and any other product candidates, we intend to identify and qualify additional manufacturers to provide such API, drug substance and drug product prior to submission of a New Drug Application ("NDA") to the FDA and/or a Marketing Authorization Application ("MAA") to the EMA. We are not certain, however, that our single-source suppliers will be able to meet our demand for

their products, either because of the nature of our agreements with those suppliers, our limited experience with those suppliers or our relative importance as a customer to those suppliers. It may be difficult for us to assess their ability to timely meet our demand in the future based on past performance. While our suppliers have generally met our demand for their products on a timely basis in the past, they may subordinate our needs in the future to their other customers.

Establishing additional or replacement suppliers for the API, drug substance and drug product used in our drug candidates or any future approved drugs, if required, may not be accomplished quickly. If we are able to find a replacement supplier, such replacement supplier would need to be qualified and may require additional regulatory approval, which could result in further delay. While we seek to maintain adequate inventory of the API, drug substance and drug product used in our current or future drug candidates and any future approved drugs, any interruption or delay in the supply of components or materials, or our inability to obtain such API, drug substance and drug product from alternate sources at acceptable prices in a timely manner could impede, delay, limit or prevent our development efforts, which could harm our business, results of operations, financial condition and prospects.

If our third-party manufacturers use hazardous materials in a manner that causes injury or violates applicable law, we may be liable for damages.

Our research and development activities involve the controlled use of potentially hazardous substances, including chemical, by our third-party manufacturers. Our manufacturers are subject to federal, state and local laws and regulations in the United States governing the use, manufacture, storage, handling and disposal of medical and hazardous materials. Although we believe that our manufacturers' procedures for using, handling, storing and disposing of these materials comply with legally prescribed standards, we cannot completely eliminate the risk of contamination or injury resulting from medical or hazardous materials. As a result of any such contamination or injury, we may incur liability or local, city, state or federal authorities may curtail the use of these materials and interrupt our business operations. In the event of an accident, we could be held liable for damages or penalized with fines, and the liability could exceed our resources. We do not have any insurance for liabilities arising from medical or hazardous materials. Compliance with applicable environmental laws and regulations is expensive, and current or future environmental regulations may impair our research, development and production efforts, which could harm our business, prospects, financial condition or results of operations.

Risks Related to Regulatory Approval of Our Drug Candidates and Other Legal Compliance Matters

Risks Related to Obtaining Regulatory Approval

The FDA regulatory approval process is lengthy and time-consuming, and we may experience significant delays in the clinical development and regulatory approval of our product candidates.

We currently have one drug candidate in clinical development and its risk of failure is high. We are unable to predict when or if any of our drug candidates will prove effective or safe in humans or will obtain marketing approval. Before obtaining marketing approval from regulatory authorities for the sale of any drug candidate, we must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of our drug candidates in humans. Clinical testing is expensive, difficult to design and implement, and can take many years to complete and is uncertain as to the outcome. A failure of one or more clinical trials can occur at any stage of testing. The outcome of preclinical testing and early clinical trials may not be predictive of the success of later clinical trials, and interim or preliminary results of a clinical trial do not necessarily predict final results. In particular, the small number of patients in our early clinical trials may make the results of these trials less predictive of the outcome of later clinical trials. In addition, although we observed encouraging preliminary efficacy results including disease control rates, objective response rates (best response), and progression free survival in our Phase 1 trial of PLX9486, the primary objectives were to determine the safety, tolerability, and maximum tolerated dose of PLX9486 and to determine a recommended Phase 2 dose and not to demonstrate efficacy. The assessments of efficacy from the Phase 1 clinical trial of PLX9486 were not designed to demonstrate statistical significance and may not be predictive of the results of further clinical trials of PLX9486. These factors also apply to any future Phase 1 and Phase 1b/2 trials for other future drug candidates. We did not observe a maximum tolerated dose in the dose escalation stage of our Phase 1 trial of PLX9486.

We may experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our ability to obtain marketing approval or commercialize our drug candidates, including:

- regulators may not authorize us to commence or continue a clinical trial or may impose a clinical hold or may limit the conduct of a clinical trial through the imposition of a partial clinical hold;
- institutional review boards ("IRBs"), may not authorize us or our investigators to commence or continue a clinical trial at a prospective trial site or an IRB may not approve a protocol amendment to an ongoing clinical trial;

- we may experience delays in reaching, or fail to reach, agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites;
- clinical trials for our drug candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials, delay planned trials, or abandon product development programs;
- the number of patients required for clinical trials for our drug candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate, participants may drop out of these clinical trials at a higher rate than we anticipate, or the duration of these clinical trials may be longer than we anticipate;
- our third-party contractors, including investigators, may fail to meet their contractual obligations to us in a timely manner, or at all, or may fail to comply with regulatory requirements;
- we may have to suspend, change, or terminate clinical trials for our drug candidates for various reasons, including a finding that the participants are being exposed to unacceptable health risks;
- our drug candidates may have undesirable side effects or other unexpected characteristics, causing us or our investigators, regulators, or IRBs to suspend, change, or terminate the trials;
- unforeseen global instability, including political instability or instability from an outbreak of pandemic or contagious disease, such as the novel coronavirus, in or around the countries in which we conduct our clinical trials, could delay the commencement or rate of completion of our clinical trials, or those expected to be conducted in China under our collaboration with Zai;
- the cost of clinical trials for our drug candidates may be greater than we anticipate; and
- the supply or quality of our drug candidates or other materials necessary to conduct clinical trials for our drug candidates may be insufficient or inadequate and result in delays or suspension of our clinical trials.

While PLX9486 is highly potent and selective KIT D816V inhibitor that is being developed to treat SM and GIST patients, we may find that patients treated with PLX9486 have or develop mutations that confer resistance to treatment. If patients have or develop resistance to treatment with our drug candidates, we may be unable to successfully complete our clinical trials, and may not be able to obtain regulatory approval of, and commercialize, our drug candidates.

Our product development costs will increase if we experience delays in preclinical studies or clinical trials or in obtaining marketing approvals. We do not know whether any of our planned preclinical studies or clinical trials will begin on a timely basis or at all, will need to be restructured, or will be completed on schedule, or at all. We expect presenting additional data from our future clinical trials that may be requested by the FDA. The FDA may request additional information or data and any such requests could result in clinical trial delays. Furthermore, the FDA could place a clinical hold, either another partial clinical hold or a full clinical hold, on our PLX9486 trials if they are not satisfied with the information we provide to them, which could result in delays for the trial. Significant preclinical study or clinical trial delays also could shorten any periods during which we may have the exclusive right to commercialize our drug candidates or allow our competitors to bring products to market before we do and impair our ability to successfully commercialize our drug candidates and may harm our business and results of operations.

We may utilize companion diagnostics in our planned clinical trials in the future in order to identify appropriate patient populations for our drug candidates. If a satisfactory companion diagnostic is not commercially available, we may be required to create or obtain one that would be subject to regulatory approval requirements. The process of obtaining or creating such diagnostic is time consuming and costly.

The FDA may disagree with our regulatory plan and we may fail to obtain regulatory approval of our product candidates.

We plan to advance our lead product candidate, PLX9486, into clinical trials in the future. If we believe the Phase 1 data are compelling, we plan to advance that product candidate in further clinical development for the treatment of GIST patients, we are pursuing development of the compound in patients living with advanced systemic mastocytosis (“ASM”) and indolent systemic mastocytosis (“ISM”) to discuss with the FDA the potential to move to a registration trial upon completion of the future clinical trials of that product candidate. However, the general approach for FDA approval of a drug is dispositive data from two adequate and well-controlled, Phase 3 clinical trials of the drug in the relevant patient population. Phase 3 clinical trials typically involve hundreds of patients, have significant costs and take years to complete. The FDA may not believe our accelerated approval strategy to move directly to a registration trial upon completion of the current or future Phase 1 clinical trials is warranted and may require a Phase 3 clinical trial or trials prior to approval. 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 number, design, or implementation of our clinical trials, including whether we have identified an appropriate surrogate marker or intermediate clinical endpoint to support an accelerated approval pathway;
- 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;
- 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 a NDA or other comparable submission in foreign jurisdictions or to obtain regulatory approval in the United States or elsewhere;
- the FDA or comparable foreign regulatory authorities may find deficiencies with or fail to approve the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies; and
- the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval.

Any of these factors, many of which are beyond our control, may result in our failing to obtain regulatory approval to market any of our product candidates, which would significantly harm our business, results of operations, and prospects.

Obtaining and maintaining regulatory approval of our product candidates in one jurisdiction does not mean that we will be successful in obtaining regulatory approval of our product candidates in other jurisdictions.

Obtaining and maintaining regulatory approval of our product candidates in one jurisdiction does not guarantee that we will be able to obtain or maintain regulatory approval in any other jurisdiction, while a failure or delay in obtaining regulatory approval in one jurisdiction may have a negative effect on the regulatory approval process in others. For example, even if the FDA grants marketing approval of a product candidate, comparable regulatory authorities in foreign jurisdictions must also approve the manufacturing, marketing and promotion of the product candidate in those countries. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and greater than, those in the United States, including additional preclinical studies or clinical trials as clinical trials conducted in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions. In many jurisdictions outside the United States, a product candidate must be approved for reimbursement before it can be approved for sale in that jurisdiction. In some cases, the price that we intend to charge for our products is also subject to approval.

We may also submit marketing applications in other countries. Regulatory authorities in jurisdictions outside of the United States have requirements for approval of product candidates with which we must comply prior to marketing in those jurisdictions. Obtaining foreign regulatory approvals and compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our products in certain countries. If we fail to comply with the regulatory requirements in international markets and/or receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed.

Even if we receive regulatory approval of our product candidates, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense and we may 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 receive for our product candidates will require surveillance to monitor the safety and efficacy of the product candidate. The FDA may also require a risk evaluation and mitigation strategy in order to approve our product candidates, which could entail requirements for a medication guide, physician communication plans or additional elements to ensure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. In addition, if the FDA or a comparable foreign regulatory authority approves our product candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion, import, export and recordkeeping for our product candidates will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing

information and reports, registration, as well as continued compliance with cGMPs and GCPs for any clinical trials that we conduct post-approval. Later discovery of previously unknown problems with our product candidates, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of our product candidates, withdrawal of the product from the market or voluntary or mandatory product recalls;
- fines, warning letters or holds on clinical trials;
- refusal by the FDA to approve pending applications or supplements to approved applications filed by us or suspension or revocation of license approvals;
- product seizure or detention, or refusal to permit the import or export of our product candidates; and
- injunctions or the imposition of civil or criminal penalties.

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

Accelerated approval by the FDA, even if granted for PLX9486 or any other future product candidates, may not lead to a faster development or regulatory review or approval process and it does not increase the likelihood that our product candidates will receive marketing approval.

We plan to seek approval of PLX9486, and may seek approval of future product candidates using the FDA's accelerated approval pathway. A product may be eligible for accelerated approval if it treats a serious or life-threatening condition and generally provides a meaningful advantage over available therapies. In addition, it must demonstrate an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit. As a condition of approval, the FDA may require that a sponsor of a drug receiving accelerated approval perform adequate and well-controlled post-marketing clinical trials. These confirmatory trials must be completed with due diligence. In addition, the FDA currently requires as a condition for accelerated approval pre-approval of promotional materials, which could adversely impact the timing of the commercial launch of the product. Even if we do receive accelerated approval, we may not experience a faster development or regulatory review or approval process, and receiving accelerated approval does not provide assurance of ultimate full FDA approval.

If we are unable to successfully develop companion diagnostic tests for our drug candidates that require such tests, or experience significant delays in doing so, we may not realize the full commercial potential of these drug candidates.

We may develop, either by ourselves or with collaborators, in vitro companion diagnostic tests for our drug candidates for certain indications. To be successful, we or our collaborators will need to address a number of scientific, technical, regulatory, and logistical challenges. The FDA regulates in vitro companion diagnostics as medical devices that will likely be subject to clinical trials in conjunction with the clinical trials for our drug candidates, and which will require regulatory clearance or approval prior to commercialization. We may rely on third parties for the design, development, and manufacture of companion diagnostic tests for our therapeutic drug candidates that require such tests. If these parties are unable to successfully develop companion diagnostics for these therapeutic drug candidates, or experience delays in doing so, the development of these therapeutic drug candidates may be adversely affected, these therapeutic drug candidates may not obtain marketing approval, and we may not realize the full commercial potential of any of these therapeutics that obtain marketing approval. As a result, our business, results of operations, and financial condition could be materially harmed.

The failure to obtain required regulatory clearances or approvals for any companion diagnostic tests that we may pursue may prevent or delay approval of any of our drug candidates. Moreover, the commercial success of any of our drug candidates that require a companion diagnostic will be tied to the receipt of any required regulatory clearances or approvals and the continued availability of such tests.

In connection with the clinical development of our drug candidates for certain indications, we may work with collaborators to develop or obtain access to in vitro companion diagnostic tests to identify appropriate patients for our drug candidates. We may rely on third parties for the development, testing, and manufacturing of these companion diagnostics, the application for and receipt of any required

regulatory clearances or approvals, and the commercial supply of these companion diagnostics. Our third-party collaborators may fail to obtain the required regulatory clearances or approvals, which could prevent or delay approval of our drug candidates. In addition, the commercial success of any of our drug candidates that require a companion diagnostic will be tied to and dependent upon the receipt of required regulatory clearances or approvals and the continued ability of such third parties to make the companion diagnostic commercially available on reasonable terms in the relevant geographies.

Risks Related to Healthcare Regulations

Coverage and reimbursement may be limited or unavailable in certain market segments for our product candidates, which could make it difficult for us to sell our product candidates, if approved, profitably.

In both domestic and foreign markets, successful sales of our product candidates, if approved, will depend on the availability of adequate coverage and reimbursement from third-party payors. In addition, because our product candidates represent new approaches to the treatment of cancer, we cannot accurately estimate the potential revenue from our product candidates.

Patients who are provided medical treatment for their conditions generally rely on third-party payors to reimburse all or part of the costs associated with their treatment. Adequate coverage and reimbursement from governmental healthcare programs, such as Medicare and Medicaid, and commercial payors is critical to new product acceptance.

Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which drugs and treatments they will cover and the amount of reimbursement. Reimbursement by a third-party payor may depend upon a number of factors, including, but not limited to, the third-party payor's determination that use of a product is:

- a covered benefit under its health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

Obtaining coverage and reimbursement approval of a product from a government or other third-party payor is a time-consuming and costly process that could require us to provide to the payor supporting scientific, clinical and cost-effectiveness data for the use of our products. Even if we obtain coverage for a given product, the resulting reimbursement payment rates might not be adequate for us to achieve or sustain profitability or may require co-payments that patients find unacceptably high. Patients are unlikely to use our product candidates unless coverage is provided and reimbursement is adequate to cover a significant portion of the cost of our product candidates.

In the United States, no uniform policy of coverage and reimbursement for products exists among third-party payors. 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 product candidates to each payor separately, with no assurance that coverage and adequate reimbursement will be obtained.

We intend to seek approval to market our product candidates in both the United States and in selected foreign jurisdictions. If we obtain approval in one or more foreign jurisdictions for our product candidates, we will be subject to rules and regulations in those jurisdictions. In some foreign countries, particularly those in the European Union, the pricing of a newly approved drug is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after obtaining marketing approval of a product candidate. In addition, market acceptance and sales of our product candidates will depend significantly on the availability of adequate coverage and reimbursement from third-party payors for our product candidates and may be affected by existing and future healthcare reform measures.

Third-party payors, whether domestic or foreign, or governmental or commercial, are developing increasingly sophisticated methods of controlling healthcare costs. In both the United States and certain foreign jurisdictions, there have been a number of legislative and regulatory changes to the healthcare system that could impact our ability to sell our products profitably. In particular, in 2010, the Patient Protection and Affordable Care Act was enacted. The Affordable Care Act, or ACA, and its implementing regulations, among other things, revised the methodology by which rebates owed by manufacturers to the state and federal government for covered outpatient drugs under the Medicaid Drug Rebate Program are calculated, increased the minimum Medicaid rebates owed by most manufacturers under the Medicaid Drug Rebate Program, extended the Medicaid Drug Rebate Program to utilization of prescriptions of individuals enrolled in Medicaid managed care organizations, subjected manufacturers to new annual fees and taxes for certain

branded prescription drugs and provided incentives to programs that increase the federal government's comparative effectiveness research.

Since its enactment, there have been numerous judicial, administrative, executive, and legislative challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future. Various portions of the ACA are currently undergoing legal and constitutional challenges in the Fifth Circuit Court and the United States Supreme Court; the Trump Administration has issued various Executive Orders which eliminated cost sharing subsidies and various provisions that would impose a fiscal burden on states or a cost, fee, tax, penalty or regulatory burden on individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices; and Congress has introduced several pieces of legislation aimed at significantly revising or repealing the ACA. It is unclear whether the ACA will be overturned, repealed, replaced, or further amended. We cannot predict what affect further changes to the ACA would have on our business.

Other legislative changes have been proposed and adopted in the United States since the Affordable Care Act was enacted. In August 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers up to 2% per fiscal year. These reductions will remain in effect through 2030 unless additional Congressional action is taken. However, pursuant to the Coronavirus Aid, Relief and Economic Security Act, or CARES Act, these Medicare sequester reductions will be suspended from May 1, 2020 through December 31, 2020 due to the COVID-19 pandemic. In January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012 (the "ATRA"), which delayed for another two months the budget cuts mandated by these sequestration provisions of the Budget Control Act of 2011. In March 2013, the President signed an executive order implementing sequestration, and in April 2013, the 2% Medicare payment reductions went into effect. The ATRA also, among other things, reduced Medicare payments to several providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

The impact of recent healthcare reform legislation and other changes in the healthcare industry and in healthcare spending on us is currently unknown, and may adversely affect our business model.

Our revenue prospects could be affected by changes in healthcare spending and policy in the United States and abroad. We operate in a highly regulated industry and new laws, regulations or judicial decisions, or new interpretations of existing laws, regulations or decisions, related to healthcare availability, the method of delivery or payment for healthcare products and services could negatively impact our business, operations and financial condition.

There has been increasing legislative and enforcement interest in the United States with respect to specialty drug pricing practices. Specifically, there have been several recent U.S. Congressional inquiries and proposed federal and state legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs. For example, at the federal level, the U.S. government's budget proposal for fiscal year 2021 includes a $135 billion allowance to support legislative proposals seeking to reduce drug prices, increase competition, lower out-of-pocket drug costs for patients, and increase patient access to lower-cost generic and biosimilar drugs. On March 10, 2020, the U.S. government sent "principles" for drug pricing to Congress, calling for legislation that would, among other things, cap Medicare Part D beneficiary out-of-pocket pharmacy expenses, provide an option to cap Medicare Part D beneficiary monthly out-of-pocket expenses, and place limits on pharmaceutical price increases. Additionally, the Trump administration previously released a ''Blueprint'' to lower drug prices and reduce out of pocket costs of drugs that contains additional proposals to increase manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products and reduce the out of pocket costs of drug products paid by consumers. The U.S. Department of Health and Human Services, or HHS, has already started the process of soliciting feedback on some of these measures and, at the same time, is immediately implementing others under its existing authority. For example, in May 2019, CMS issued a final rule to allow Medicare Advantage Plans the option to use step therapy for Part B drugs beginning January 1, 2019. On July 24, 2020, President Trump signed four Executive Orders aimed at lowering drug prices. The Executive Orders direct the Secretary of Health and Human Services to: eliminate protection under an Anti-Kickback Statute safe harbor for certain retrospective price reductions provided by drug manufacturers to sponsors of Medicare Part D plans or pharmacy benefit managers that are not applied at the point-of-sale; allow the importation of certain drugs from other countries through individual waivers, permitting the re-importation of insulin products, and prioritizing finalization of the proposed rule to permit the importation of drugs from Canada; depending on whether pharmaceutical manufacturers agree to other measures, ensure that payment by the Medicare program for certain Medicare Part B drugs is not higher than the payment by other comparable countries; and allow certain low-income individuals receiving insulin and epinephrine purchased by a Federally Qualified Health Center ("FQHC") as part of the 340B drug program to purchase those drugs at the discounted price paid by the FQHC. On October 1, 2020, the FDA issued the final rule allowing importation of certain prescription drugs from Canada. On August 6, 2020, President

Trump signed an additional Executive Order directing U.S. government agencies to encourage the domestic procurement of Essential Medicines, Medical Countermeasures, and Critical Inputs, which include among other things, active pharmaceutical ingredients and drugs intended for use in the diagnosis, cure, mitigation, treatment, or prevention of COVID-19. The FDA has been directed to release a full list of Essential Medicines, Medical Countermeasures, and Critical Inputs affected by this Order by November 5, 2020. On September 13, 2020, President Trump signed an Executive Order directing HHS to implement a rulemaking plan to test a payment model, pursuant to which Medicare would pay, for certain high-cost prescription drugs and biological products covered by Medicare Part B, no more than the most-favored-nation price (i.e., the lowest price) after adjustments, for a pharmaceutical product that the drug manufacturer sells in a member country of the Organization for Economic Cooperation and Development that has a comparable per-capita gross domestic product. Although a number of these and other measures may require additional authorization to become effective, Congress and the Trump administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs. Any reduction in reimbursement from Medicare and other government programs may result in a similar reduction in payments from private payors.

Further, on May 30, 2018, the Trickett Wendler, Frank Mongiello, Jordan McLinn, and Matthew Bellina Right to Try Act of 2017, or the Right to Try Act, was signed into law. The law, among other things, provides a federal framework for certain patients to access certain investigational new drug products that have completed a Phase 1 clinical trial and that are undergoing investigation for FDA approval. Under certain circumstances, eligible patients can seek treatment without enrolling in clinical trials and without obtaining FDA permission under the FDA expanded access program. There is no obligation for a pharmaceutical manufacturer to make its drug products available to eligible patients as a result of the Right to Try Act.

There have been, and likely will continue to be, legislative and regulatory proposals at the foreign, federal and state levels directed at broadening the availability of healthcare and containing or lowering the cost of healthcare. We cannot predict the initiatives that may be adopted in the future, including repeal, replacement or significant revisions to the Affordable Care Act. The continuing efforts of the government, insurance companies, managed care organizations and other payors of healthcare services to contain or reduce costs of healthcare and/or impose price controls may adversely affect:

- the demand for our product candidates, if we obtain regulatory approval;
- our ability to set a price that we believe is fair for our products;
- our ability to obtain coverage and reimbursement approval for a product;
- our ability to generate revenue and achieve or maintain profitability;
- the level of taxes that we are required to pay; and
- the availability of capital.

Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors, which may adversely affect our future profitability.

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 and vendors. Misconduct by these parties could include intentional, reckless and/or negligent conduct that fails to: comply with the regulations of the FDA and other similar foreign regulatory bodies, provide true, complete and accurate information to the FDA and other similar foreign regulatory bodies, comply with manufacturing standards we have established, comply with healthcare fraud and abuse laws in the United States and similar foreign fraudulent misconduct laws or report financial information or data accurately or to disclose unauthorized activities to us. If we obtain FDA approval of any of our product candidates and begin commercializing those products in the United States, our potential exposure under such laws and regulations will increase significantly, and our costs associated with compliance with such laws and regulations are also likely to increase. These laws may impact, among other things, our current activities with principal investigators and research patients, as well as proposed and future sales, marketing and education programs. In particular, the promotion, sales and marketing of healthcare items and services, as well as certain business arrangements in the healthcare industry, are subject to extensive laws designed 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, structuring and commission(s), certain customer incentive programs and other business arrangements generally. Activities subject to these laws also involve the improper use of information obtained in the course of patient recruitment for clinical trials. The laws that may affect our ability to operate include, but are not limited to:

- the federal Anti-Kickback Statute, which prohibits, among other things, knowingly and willfully soliciting, receiving, offering, paying, or providing any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce, or in return for, either the referral of an individual, or the purchase, lease, order, arrangement, or recommendation of any good, facility, item or service for which payment may be made, in whole or in part, under a federal healthcare program, such as the Medicare and Medicaid programs. This statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand, and prescribers, purchasers and formulary managers, among others, on the other. A person or entity can be found guilty of violating the federal Anti-Kickback Statute without actual knowledge of the statute or specific intent to violate it. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act or federal civil money penalties statute;

- federal civil and criminal false claims laws, including the federal civil False Claims Act, and civil monetary penalty laws, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented; claims for payment or approval from Medicare, Medicaid, or other third-party payors that are false, fictitious or fraudulent claim or obligation to pay or transmit money or property to the federal government; knowingly making or causing a false statement or record to improperly avoid, decrease or conceal an obligation to pay money to the federal government; a claim that includes items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim under the federal civil False Claims Act. Manufacturers can be held liable under the False Claims Act even when they do not submit claims directly to government payors if they are deemed to "cause" the submission of false or fraudulent claims. The False Claims Act also permits a private individual acting as a "whistleblower" to bring qui tam actions on behalf of the federal government alleging violations of the False Claims Act and to share in any monetary recovery;

- the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), which created new federal criminal statutes that prohibit knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (e.g., public or private) and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity can be found guilty of violating HIPAA without actual knowledge of the statute or specific intent to violate it;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 ("HITECH"), and their respective implementing regulations, which impose requirements on certain covered healthcare providers, health plans, and healthcare clearinghouses as well as their respective business associates that perform services for them that involve the use, or disclosure of, individually identifiable health information, relating to the privacy, security and transmission of individually identifiable health information without appropriate authorization. HITECH also created new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorneys' fees and costs associated with pursuing federal civil actions;

- the federal Physician Payment Sunshine Act, created under the Patient Protection and Affordable Care Act as amended by the Health Care and Education Reconciliation Act of 2010, collectively, the Affordable Care Act, and its implementing regulations, which require manufacturers of drugs, devices, biologicals 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 HHS information related to payments or other transfers of value made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. Effective January 1, 2022, these reporting obligations will extend to include transfers of value made to certain non-physician providers such as physician assistants and nurse practitioner;

- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers; and

- Analogous state and foreign law equivalents of each 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 payor, including commercial insurers or patients. State laws that may require pharmaceutical companies to comply with the industry's voluntary compliance guidelines and the applicable compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers and other potential referral sources. State and local laws may also require the licensure of sales representatives, and require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures and pricing information.

In 2016, the European Union adopted a new regulation governing the collection, use, storage, disclosure, transfer or processing of personal data (including personal health data) called the General Data Protection Regulation (European Union) 2016/679, or GDPR, which became effective on May 25, 2018. The GDPR applies to any company established in the European Economic Area, or EEA (being the European Union plus Norway, Iceland and Liechtenstein) as well as to those outside the EEA if they collect and use personal data in connection with the offering of goods or services to individuals in the European Union or the monitoring of their behavior. The GDPR enhances data protection obligations for processors and controllers of personal data, including, for example, requirements relating to processing health and other sensitive data, obtaining consent of the individuals to whom the personal data relates, expanded disclosures about how personal information is to be used, limitations on retention of information, implementing safeguards to protect the security and confidentiality of personal data, mandatory data breach notification requirements, taking certain measures when engaging third-party processors and onerous new obligations on services providers. The GDPR also imposes strict rules on the transfer of personal data to countries outside the EEA, including the United States, and permits data protection authorities to impose large penalties for violations of the GDPR. Non-compliance with the GDPR may result in monetary penalties of up to €20.0 million or 4% of annual worldwide revenue, whichever is higher.

Efforts to ensure that our business arrangements will comply with applicable healthcare laws may involve substantial costs. It is possible that governmental and enforcement authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law interpreting applicable fraud and abuse or other healthcare laws and regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, disgorgement, monetary fines, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, imprisonment, contractual damages, reputational harm, diminished profits and future earnings and curtailment of our operations, as well as additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws any of which could adversely affect our ability to operate our business and our results of operations. In addition, the approval and commercialization of any of our product candidates outside the United States will also likely subject us to foreign equivalents of the healthcare laws mentioned above, among other foreign laws.

We face potential liability related to the privacy of health information we obtain from clinical trials sponsored by us.

Most healthcare providers, including research institutions from which we obtain patient health information, are subject to privacy and security regulations promulgated under HIPAA, as amended by the HITECH. We are not currently classified as a covered entity or business associate under HIPAA and thus are not directly subject to its requirements or penalties. However, any person may be prosecuted under HIPAA's criminal provisions either directly or under aiding-and-abetting or conspiracy principles. Consequently, depending on the facts and circumstances, we could face substantial criminal penalties if we knowingly receive individually identifiable health information from a HIPAA-covered healthcare provider or research institution that has not satisfied HIPAA's requirements for disclosure of individually identifiable health information. In addition, we may maintain sensitive personally identifiable information, including health information, that we receive throughout the clinical trial process, in the course of our research collaborations, and directly from individuals (or their healthcare providers) who enroll in our patient assistance programs. As such, we may be subject to state laws requiring notification of affected individuals and state regulators in the event of a breach of personal information, which is a broader class of information than the health information protected by HIPAA.

The GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR. In addition, the GDPR includes restrictions on cross-border data transfers. The GDPR may increase our responsibility and liability in relation to personal data that we process where such processing is subject to the GDPR, and we may be required to put in place additional mechanisms to ensure compliance with the GDPR, including as implemented by individual countries. Compliance with the GDPR will be a rigorous and time-intensive process that may increase our cost of doing business or require us to change our business practices, and despite those efforts, there is a risk that we may be subject to fines and penalties, litigation, and reputational harm in connection with our European activities. Further, the United Kingdom's decision to leave the EU, often referred to as Brexit, has created uncertainty with regard to data protection regulation in the United Kingdom. In particular, it is unclear how data transfers to and from the United Kingdom will be regulated now that the United Kingdom has left the EU.

Furthermore, certain health privacy laws, data breach notification laws, consumer protection laws and genetic testing laws may apply directly to our operations and/or those of our collaborators and may impose restrictions on our collection, use and dissemination of individuals' health information. Patients about whom we or our collaborators obtain health information, as well as the providers who share this information with us, may have statutory or contractual rights that limit our ability to use and disclose the information. We may be required to expend significant capital and other resources to ensure ongoing compliance with applicable privacy and data security laws. Claims that we have violated individuals' privacy rights or breached our contractual obligations, even if we are not found liable, could be expensive and time- consuming to defend and could result in adverse publicity that could harm our business.

If we or third-party CMOs, CROs or other contractors or consultants fail to comply with applicable federal, state or local regulatory requirements, we could be subject to a range of regulatory actions that could affect our or our contractors' ability to develop and commercialize our therapeutic candidates and could harm or prevent sales of any affected therapeutics that we are able to commercialize, or could substantially increase the costs and expenses of developing, commercializing and marketing our therapeutics. Any threatened or actual government enforcement action could also generate adverse publicity and require that we devote substantial resources that could otherwise be used in other aspects of our business. Increasing use of social media could give rise to liability, breaches of data security or reputational damage.

Additionally, we are subject to state and foreign equivalents of each of the healthcare laws described above, among others, some of which may be broader in scope and may apply regardless of the payor.

Upon the closing of the IPO, we adopted a code of business conduct and ethics, but it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent inappropriate conduct may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations.

Risks Related to Taxation

Changes in tax law could adversely affect our business and financial condition.

The rules dealing with U.S. federal, state, and local income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department. Changes to tax laws (which changes may have retroactive application) could adversely affect Cogent and its stockholders. In recent years, many such changes have been made and changes are likely to continue to occur in the future. For example, the Tax Cuts and Jobs Act (referred to as the "TCJA") was enacted in 2017 and significantly reformed the Code. The TCJA, among other things, contained significant changes to corporate taxation, including reduction of the corporate tax rate from a top marginal rate of 35% to a flat rate of 21%, a limitation of the tax deduction for net interest expense to 30% of adjusted earnings (except for certain small businesses), a limitation of the deduction for net operating losses to 80% of current year taxable income and an elimination of net operating loss carrybacks (though any net operating losses generated in taxable years beginning after December 31, 2017 may be carried forward indefinitely), and the modification or repeal of many business deductions and credits.

Additionally, on March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act, which, among other things, suspends the 80% limitation on the deduction for net operating losses in taxable years beginning before January 1, 2021, permits a 5-year carryback of net operating losses arising in taxable years beginning after December 31, 2017 and before January 1, 2021, and generally caps the limitation on the deduction for net interest expense at 50% of adjusted taxable income for taxable years beginning in 2019 and 2020.

It cannot be predicted whether, when, in what form, or with what effective dates, new tax laws may be enacted, or regulations and rulings may be enacted, promulgated or issued under existing or new tax laws, which could result in an increase in the combined company's or the combined company's stockholders' tax liability or require changes in the manner in which the combined company operates in order to minimize or mitigate any adverse effects of changes in tax law or in the interpretation thereof.

Our ability to use net operating losses and research and development credits to offset future taxable income may be subject to certain limitations.

In general, under Sections 382 and 383 of the Code, a corporation that undergoes an "ownership change" is subject to limitations on its ability to utilize its pre-change net operating losses or tax credits, or NOLs or credits, to offset future taxable income or taxes. For these purposes, an ownership change generally occurs where the aggregate stock ownership of one or more stockholders or groups of stockholders who owns at least 5% of a corporation's stock increases its ownership by more than 50 percentage points over its lowest ownership percentage within a specified testing period. As a result of the shares issued in July 2020 related to the acquisition of Kiq and the sale of Series A convertible preferred stock, the Company has likely experienced a change of control, as defined by Section

382. If the Company has experienced a change of control, as defined by Section 382, at any time since inception, utilization of the federal and state net operating loss carryforwards or research and development tax credit carryforwards would be subject to annual limitation under Section 382. Under Section 382, the annual limitation is determined by first multiplying the value of the Company's stock at the time of the ownership change by the applicable long-term tax-exempt rate, and then could be subject to additional adjustments, as required. Any limitation may result in expiration of a portion of the net operating loss carryforwards or research and development tax credit carryforwards before utilization. The Company is completing a study to assess whether a change of control has occurred or whether there have been multiple changes of control since inception, as well as the resulting amount of the limitation on the Company's net operating loss carryforwards and research and development tax credit carryforwards. In addition, our NOLs or credits may also be impaired under state law. Accordingly, we may not be able to utilize a material portion of our NOLs or credits.

Risks Related to Brexit

We face risks arising from the results of the public referendum held in United Kingdom and its membership in the European Union.

The ongoing developments following from the United Kingdom's public referendum vote to exit from the European Union could cause disruptions to and create uncertainty surrounding our business, including affecting our relationships with existing and potential suppliers, manufacturers, and other third parties. Negotiations have commenced to determine the terms of the United Kingdom's future relationship with the European Union, including the terms of trade between the United Kingdom and the European Union. On January 31, 2020, the United Kingdom formally withdrew from the European Union. A "transition period" will be in effect until the end of December 2020. During this period, most European Union laws will continue to apply. The effects of Brexit will depend upon any agreements the United Kingdom makes to retain access to European Union markets either during this transitional period or more permanently. The measures could potentially have corporate structural consequences, adversely change tax benefits or liabilities in these or other jurisdictions and could disrupt some of the markets and jurisdictions in which we operate. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which European Union laws to replace or replicate. In addition, the announcement of Brexit has caused significant volatility in global stock markets and currency exchange rate fluctuations, including the strengthening of the USD against some foreign currencies, and the Brexit negotiations may continue to cause significant volatility. The progress and outcomes of Brexit negotiations also may create global economic uncertainty. Any of these effects of Brexit, among others, could materially adversely affect the business, business opportunities, and financial condition of our company.

Risks Related to Our Intellectual Property

Risks Related to Licensing

We depend on intellectual property licensed from third parties and termination of any of these licenses could result in the loss of significant rights, which would harm our business.

We are dependent on patents, know-how and proprietary technology, both our own and licensed from others. Aspects of the ACTR technology are subject to a license from St. Jude Children's Research Hospital (St. Jude's) and the National University of Singapore (NUS). On October 14, 2020, the license agreement with National University of Singapore and St. Jude Children's Research Hospital, Inc. has been terminated. PLX9486 and other molecules are subject to a license from Plexxikon Inc.

We are currently, and expect in the future to be, party to material license or collaboration agreements. These agreements typically impose numerous obligations, such as diligence and payment obligations. Any termination of these licenses could result in the loss of significant rights and could harm our ability to commercialize our product candidates. These licenses do and future licenses may include provisions that impose obligations and restrictions on us. This could delay or otherwise negatively impact a transaction that we may wish to enter into.

Disputes may also arise between us and our licensors regarding intellectual property subject to a license agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- whether and the extent to which our technology and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement;
- our right to sublicense patent and other rights to third parties under collaborative development relationships;

- our diligence obligations with respect to the use of the licensed technology in relation to our development and commercialization of our product candidates, and what activities satisfy those diligence obligations; and
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our partners.

If disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates.

We are generally also subject to all of the same risks with respect to protection of intellectual property that we license, as we are for intellectual property that we own, which are described below. If we or our licensors fail to adequately protect this intellectual property, our ability to commercialize products could suffer.

We may not be successful in obtaining or maintaining necessary rights to product components and processes for our development pipeline through acquisitions and in-licenses.

Presently we have rights to certain intellectual property, through licenses from third parties and under patent applications that we own or will own, related to ACTR087, ACTR707, and PLX9486 constructs, and certain other product candidates. Because additional product candidates may require the use of proprietary rights held by third parties, the growth of our business will likely depend in part on our ability to acquire, in-license or use these proprietary rights. In addition, while we have patent rights or are pursuing patent rights directed to certain ACTR constructs and PLX9486 we may not be able to obtain intellectual property to broad ACTR constructs and PLX9486 in certain jurisdictions.

Our product candidates may also require specific formulations to work effectively and efficiently and these rights may be held by others. Similarly, efficient production or delivery of our product candidates may also require specific compositions or methods, and the rights to these may be owned by third parties. 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. Even if we are able to obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. In that event, we may be required to expend significant time and resources to develop or license replacement technology. Moreover, the specific antibodies that will be used with our product candidates may be covered by the intellectual property rights of others.

The licensing and acquisition of third-party intellectual property rights is a competitive area, and companies, which may be more established, or have greater resources than we do, may also be pursuing strategies to license or acquire third-party intellectual property rights that we may consider necessary or attractive in order to commercialize our product candidates. More established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities.

Risks Related to Protecting Our Intellectual Property

If our efforts to protect the proprietary nature of the intellectual property related to our technologies are not adequate, we may not be able to compete effectively in our market.

We rely upon a combination of patents, confidentiality agreements, trade secret protection and license agreements to protect the intellectual property related to our technologies. Any disclosure to or misappropriation by third parties of our confidential proprietary information could enable competitors to quickly duplicate or surpass our technological achievements, thus eroding our competitive position in our market.

Currently, we have patents issued from our in-licensed portfolio under our license agreement with Plexxikon Inc. in multiple territories, including but not limited to, AU, EP (validated in DE, FR, and GB), JP, US, SG, and ZA. Except for a ZA patent for PLX9486 and PLX0206, no other patents have issued from the patent applications that we own or in-license. We anticipate additional patent applications will be filed both in the United States and in other countries, as appropriate. However, we cannot predict:

- if and when patents will issue;
- the degree and range of protection any issued patents will afford us against competitors including whether third parties will find ways to invalidate or otherwise circumvent our patents;
- whether any of our intellectual property will provide any competitive advantage;
- whether or not others will obtain patents claiming aspects similar to those covered by our patents and patent applications; or

- whether we will need to initiate or defend litigation or administrative proceedings which may be costly whether we win or lose.

Composition of matter patents for biological and pharmaceutical products, such as ACTR-based product candidates, are generally considered to be the strongest form of intellectual property protection for those types of products, as such patents provide protection without regard to any method of use. We have obtained issuances of composition of matter claims in one European patent from the licensed-in portfolio for PLX9486 and PLX0206. We, however, cannot be certain that the claims in our pending patent applications covering 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 patentable by courts in the United States or foreign countries. Method of use patents protect the use of a product for the specified method. This type of patent does not prevent a competitor from making and marketing a product that is identical to our product for an indication that is outside the scope of the patented method. Moreover, even if competitors do not actively promote their product for our targeted indications, physicians may prescribe these products "off-label." Although off-label prescriptions may induce or contribute to the infringement of method of use patents, the practice is common and such infringement is difficult to prevent or prosecute.

The strength of patents in the biotechnology and pharmaceutical field involves complex legal and scientific questions and can be uncertain. The patent applications that we own and in-license may fail to result in issued patents with claims that cover our product candidates or uses thereof in the United States or in other foreign countries. Even if the patents do successfully issue, third parties may challenge the validity, enforceability or scope thereof, which may result in such patents being narrowed, invalidated or held unenforceable. Furthermore, even if they are unchallenged, our patents and patent applications may not adequately protect our intellectual property or prevent others from designing around our claims. If the breadth or strength of protection provided by the patent applications we hold 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. Further, if we encounter delays in our clinical trials, the period of time during which we could market our product candidates under patent protection would be reduced. Since patent applications in the United States and most other countries are confidential for a period of time after filing, we cannot be certain that we were the first to file any patent application related to our product candidates. Furthermore, for United States applications in which all claims are entitled to a priority date before March 16, 2013, an interference proceeding can be provoked by a third-party or instituted by the USPTO, to determine who was the first to invent any of the subject matter covered by the patent claims of our applications. Various post grant review proceedings, such as inter partes review and post grant review, are available for any interested third party to challenge the patentability of claims issued in patents to us. While these post grant review proceedings have been used less frequently to invalidate biotech patents, they have been successful regarding other technologies, and these relatively new procedures are still changing, and those changes might affect future results.

In addition to the protection afforded by patents, we seek to rely on trade secret protection, confidentiality agreements, and license agreements 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 patents. 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 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 of the United States. As a result, we may encounter significant problems in protecting and defending our intellectual property both in the United States and abroad. If we are unable to prevent unauthorized material disclosure of our intellectual property to third parties, 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.

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

Our commercial success depends in part on our avoiding infringement of the patents and proprietary rights of third parties. There is a substantial amount of litigation involving patents and other intellectual property rights in the biotechnology and pharmaceutical industries, as well as administrative proceedings for challenging patents, including interference, reexamination, and post grant review proceedings before the USPTO or oppositions and other comparable proceedings in foreign jurisdictions. Numerous U.S. 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 increases that our product candidates may give rise to claims of infringement of the patent rights of others.

Third parties may assert that we are employing their proprietary technology without authorization. Generally, conducting clinical trials and other development activities in the United States is not considered an act of infringement. If and when PLX9486 or another product candidate is approved by the FDA, a third party may then seek to enforce its patent by filing a patent infringement lawsuit against us. While we do not believe that any claims that could otherwise materially adversely affect commercialization of our product candidates, if approved, are valid and enforceable, we may be incorrect in this belief, or we may not be able to prove it in a litigation. In this regard, patents issued in the U.S. 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 third-party patents of which we are currently unaware with claims to materials, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our product candidates. Because patent applications can take many years to issue, there may be currently pending patent applications which may later result in issued patents that our product candidates may infringe. In addition, third parties may obtain patents in the future and claim that use of our technologies infringes upon these patents. 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 were held by a court of competent jurisdiction to cover the manufacturing process of our product candidates, constructs or molecules used in or formed during the manufacturing process, or any final product itself, 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 aspects of our formulations, processes for manufacture or methods of use, including combination therapy 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.

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 have less robust foreign intellectual property rights and may not be able to protect our intellectual property rights throughout the world.

Certain of our key patent families (covering the ACTR087 construct) have been filed in the United States, as well as in numerous jurisdictions outside the United States, and we are pursuing subgeneric claims prior to expiration of applicable deadlines (including a patent family covering the ACTR707 construct). We also plan to pursue claims covering the PLX9486 product in the United States and in jurisdictions outside the United States. However, we have less robust intellectual property rights outside the United States, and, in particular, we may not be able to pursue generic coverage of the ACTR platform outside of the United States. Filing, prosecuting and defending patents on product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. 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. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States. These products may compete with our products and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. Most of our patent portfolio is at the very early stage. We will need to decide whether and in which jurisdictions to pursue protection for the various inventions in our portfolio prior to applicable deadlines.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets and other intellectual property protection, particularly those relating to biopharmaceutical products, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent

applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. 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.

Numerous factors may limit any potential competitive advantage provided by our intellectual property rights.

The degree of future protection afforded by our intellectual property rights, whether owned or in-licensed, is uncertain because intellectual property rights have limitations, and may not adequately protect our business, provide a barrier to entry against our competitors or potential competitors, or permit us to maintain our competitive advantage. Moreover, if a third party has intellectual property rights that cover the practice of our technology, we may not be able to fully exercise or extract value from our intellectual property rights. The following examples are illustrative:

- pending patent applications that we own or license may not lead to issued patents;
- patents, should they issue, that we own or license, may not provide us with any competitive advantages, or may be challenged and held invalid or unenforceable;
- others may be able to develop and/or practice technology that is similar to our technology or aspects of our technology but that is not covered by the claims of any of our owned or in-licensed patents, should any such patents issue;
- third parties may compete with us in jurisdictions where we do not pursue and obtain patent protection;
- we (or our licensors) might not have been the first to make the inventions covered by a pending patent application that we own or license;
- we (or our licensors) might not have been the first to file patent applications covering a particular invention;
- others may independently develop similar or alternative technologies without infringing our intellectual property rights;
- we may not be able to obtain and/or maintain necessary licenses on reasonable terms or at all;
- third parties may assert an ownership interest in our intellectual property and, if successful, such disputes may preclude us from exercising exclusive rights, or any rights at all, over that intellectual property;
- we may not be able to maintain the confidentiality of our trade secrets or other proprietary information;
- we may not develop or in-license additional proprietary technologies that are patentable; and
- the patents of others may have an adverse effect on our business.

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

Risks Related to Intellectual Property Litigation

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

Competitors may infringe our patents or the patents of our licensors. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time-consuming. In addition, in an infringement proceeding, a court may decide that one or more of our patents is not valid or is unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation or defense proceedings could put one or more of our patents at risk of being invalidated, held unenforceable, or interpreted narrowly and could put our patent applications at risk of not issuing. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of employee resources from our business. 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.

Post-grant proceedings, including interference proceedings, provoked by third parties or brought by the USPTO may be necessary to determine the validity or priority of inventions with respect to our patents or those of our licensors. An unfavorable outcome could result in a loss of our current patent rights and could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable

terms. Litigation or post-grant proceedings may result in a decision adverse to our interests and, even if we are successful, may result in substantial costs and distract our management and other employees. We may not be able to prevent, alone or with our licensors, misappropriation of our trade secrets or confidential information, particularly in countries where the laws may not protect those rights as fully as in the United States.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock.

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

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

Risks Related to Patents

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

Periodic maintenance fees on any issued patent are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of the patent. The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations 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. Noncompliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In such an event, our competitors might be able to enter the market, which would have a material adverse effect on our business.

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

If we or one of our licensing partners initiate legal proceedings against a third party to enforce a patent covering one of our product candidates, the defendant could counterclaim that the patent covering our product candidate, as applicable, is invalid and/or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are commonplace, and there are numerous grounds upon which a third party can assert invalidity or unenforceability of a patent. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, *inter parties* review, post grant review, and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings). Such proceedings could result in revocation or amendment to our patents in such a way that they no longer cover our product candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we, our patent counsel and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our product candidates. Such a loss of patent protection could have a material adverse impact on our business.

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

As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involve both technological and legal complexity, and is therefore costly, time-consuming and inherently uncertain. In addition, the United States continues to adapt to wide-ranging patent reform legislation that became effective starting in 2012. Moreover, recent U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. In addition to increasing

uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the federal courts, and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. Changes in the laws and regulations governing patents in other jurisdictions could similarly have an adverse effect on our ability to obtain and effectively enforce our patent rights.

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

We generally enter into confidentiality and intellectual property assignment agreements with our employees, consultants, and contractors. These agreements generally provide that inventions conceived by the party in the course of rendering services to us will be our exclusive property. However, those agreements may not be honored and may not effectively assign intellectual property rights to us. Moreover, there may be some circumstances, where we are unable to negotiate for such ownership rights. Disputes regarding ownership or inventorship of intellectual property can also arise in other contexts, such as collaborations and sponsored research. If we are subject to a dispute challenging our rights in or to patents or other intellectual property, such a dispute could be expensive and time consuming. If we were unsuccessful, we could lose valuable rights in intellectual property that we regard as our own.

Risks Related to Employee Matters and Managing Growth

Risks Related to Employee Matters

We are highly dependent on our key personnel, and if we are not successful in attracting and retaining highly qualified personnel, we may not be able to successfully implement our business strategy.

Our ability to compete in the highly competitive biotechnology and pharmaceutical industries depends upon our ability to attract and retain highly qualified managerial, scientific and medical personnel. Our inability or failure to successfully attract and retain qualified personnel, particularly at the management level, could adversely affect our ability to execute our business plan and harm our operating results. In particular, the loss of one or more of our executive officers could be detrimental if we cannot recruit suitable replacements in a timely manner. The competition for qualified personnel in the pharmaceutical field is intense and we may be unable to continue to attract and retain qualified personnel necessary for the development of our business or to recruit suitable replacement personnel.

We are highly dependent on our management, scientific and medical personnel, including our Chief Executive Officer and President, our Chief Financial Officer, and our Chief Medical Officer. The loss of the services of any of our executive officers, other key employees and other scientific and medical advisors, and an inability to find suitable replacements could result in delays in product development and harm our business.

We conduct our operations at our facility in Cambridge, Massachusetts. This region is headquarters to many other biopharmaceutical companies and many academic and research institutions. Competition for skilled personnel in our market is intense and may limit our ability to hire and retain highly qualified personnel on acceptable terms or at all.

To induce valuable employees to remain at our company, in addition to salary and cash incentives, we have provided stock options that vest over time. The value to employees of stock options that vest over time may be significantly affected by movements in our stock price that are beyond our control, and may at any time be insufficient to counteract more lucrative offers from other companies. Despite our efforts to retain valuable employees, members of our management, scientific and development teams may terminate their employment with us on short notice. Although we have employment agreements with our key employees, these employment agreements provide for at-will employment, which means that any of our employees could leave our employment at any time, with or without notice. We maintain a “key man” insurance policy on the life of our Chief Executive Officer and President, but do not maintain “key man” insurance on the lives of our other management personnel or the lives of any of our other employees. Our success also depends on our ability to continue to attract, retain and motivate highly skilled junior, mid-level and senior managers as well as junior, mid-level and senior scientific and medical personnel.

Risks Related to Managing Growth

We will need to develop and expand our company, and we may encounter difficulties in managing this development and expansion, which could disrupt our operations.

We expect to continue to increase our number of employees and expand the scope of our operations. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Also, our management may need to divert a disproportionate amount of its attention away from its day-to-day activities and devote a substantial amount of time to managing these development activities. Due to our limited resources, we may not be able to effectively manage the expansion of our operations or recruit and train additional

qualified personnel. This may result in weaknesses in our infrastructure, give rise to operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. Physical expansion of our operations in the future may lead to significant costs, including capital expenditures, and may divert financial resources from other projects, such as the development of our drug candidates. If our management is unable to effectively manage our expected development and expansion, our expenses may increase more than expected, our ability to generate or increase our revenue could be reduced and we may not be able to implement our business strategy. Our future financial performance and our ability to commercialize our drug candidates, if approved, and compete effectively will depend, in part, on our ability to effectively manage the future development and expansion of our company.

Risks Related to Business Operations

Our internal computer systems, or those used by our third-party CROs or other contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of the development programs of our product candidates.

Despite the implementation of security measures, our internal computer systems and those of our current and future CROs and other contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. While we have not experienced any such material system failure or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations. For example, the loss of clinical trial data from completed or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Likewise, we rely on third parties for the manufacture of our product candidates and to conduct clinical trials, and similar events relating to their computer systems could also have a material adverse effect on our business. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development and commercialization of our product candidates could be delayed.

Interruptions in the availability of server systems or communications with Internet or cloud-based services, or failure to maintain the security, confidentiality, accessibility or integrity of data stored on such systems, could harm our business.

We rely upon a variety of Internet service providers, third-party hosting facilities and cloud computing platform providers to support our business. Failure to maintain the security, confidentiality, accessibility or integrity of data stored on such systems could damage our reputation in the market, cause us to lose revenue or market share, increase our service costs, cause us to incur substantial costs, subject us to liability for damages and/or fines and divert our resources from other tasks, any one of which could materially adversely affect our business, financial condition, results of operations and prospects. Any damage to, or failure of, such systems, or communications to and between such systems, could result in interruptions in our operations. If our security measures or those of our third-party data center hosting facilities, cloud computing platform providers, or third-party service partners, are breached, and unauthorized access is obtained to our data or our information technology systems, we may incur significant legal and financial exposure and liabilities.

We do not have control over the operations of the facilities of our cloud service providers and our third party providers may be vulnerable to damage or interruption from natural disasters, cybersecurity attacks, terrorist attacks, power outages and similar events or acts of misconduct. In addition, any changes in our cloud service providers' service levels may adversely affect our ability to meet our requirements and operate our business.

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

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

We have broad discretion in the use of working capital and may not use it effectively.

Our management will have broad discretion in the application of working capital, and stockholders do not have the opportunity to assess whether working capital is being used appropriately. Because of the number and variability of factors that will determine our use of our working capital, its ultimate use may vary substantially from its currently intended use. Management might not apply working capital in ways that ultimately increase stockholder value. Failure by us to apply working capital effectively could harm our

business. Pending its use, we may invest our working capital in short-term, investment-grade, interest-bearing securities. These investments may not yield a favorable return to our stockholders. In addition, the fair value of such investments is subject to change as a result of potential market fluctuations, including resulting from the impact of the COVID-19 pandemic. If we do not invest or apply our working capital in ways that enhance stockholder value, we may fail to achieve expected financial results, which could cause our stock price to decline.

Risks Related to Our Financial Position and Need for Additional Capital

Risks Related to our Operating History

We have incurred net losses in every year since our inception and anticipate that we will continue to incur net losses in the future.

We are a clinical-stage biopharmaceutical company with a limited operating history. Investment in biopharmaceutical product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that any potential product candidate will fail to demonstrate adequate effect or an acceptable safety profile, gain regulatory approval and become commercially viable. We have no products approved for commercial sale and have not generated any revenue from product sales to date, and we continue to incur significant research and development and other expenses related to our ongoing operations. As a result, we are not profitable and have incurred losses in each period since our inception in March 2014. Our net losses were $50.0 million and $11.9 million for the three months ended September 30, 2020 and 2019 and $63.5 million and $34.1 million for the nine months ended September 30, 2020 and 2019. As of September 30, 2020, we had an accumulated deficit of $187.4 million. We expect to continue to incur significant losses for the foreseeable future, and we expect these losses to increase as we continue our research and development of, and seek regulatory approvals for, product candidates.

As of September 30, 2020, we had cash and cash equivalents of $129.4 million. We expect that our current cash and cash equivalents will be sufficient to fund our operating expenses and capital expenditure requirements into 2023.

There can be no assurance that the products under development by us will be approved for sale in the United States or elsewhere. Furthermore, there can be no assurance that if such products are approved, they will be successfully commercialized, which would have an adverse effect on our business prospects, financial condition and results of operation.

Even if we succeed in commercializing one or more of our product candidates, we will continue to incur substantial research and development and other expenditures to develop and market additional product candidates. We may 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. Our prior losses and expected future losses have had and will continue to have an adverse effect on our stockholders' equity and working capital.

Risks Related to Future Financial Conditions

We may require substantial additional funding. If we fail to obtain additional financing when needed, or on attractive terms, we may be unable to complete the development and commercialization of our product candidates.

Our operations have consumed substantial amounts of cash since inception. As of September 30, 2020 cash and cash equivalents of $129.4 million. We expect to continue to spend substantial amounts to continue the clinical and preclinical development of our product candidates, including our planned clinical trials for PLX9486. If approved, we will require significant additional amounts in order to launch and commercialize our product candidates.

Our operating plan includes our efforts to advance our clinical programs for PLX9486, for the treatment of SM and GIST; to fund the wind down of ACTR707 used in combination with rituximab for adult patients with r/r B cell non-Hodgkin lymphoma, ACTR087 used in combination with rituximab for adult patients with r/r non-Hodgkin lymphoma, and ACTR707 used in combination with trastuzumab for patients with HER2+ cancers; and to develop product candidates in earlier stages of development, and any additional product candidates that we select, to expand headcount and internal capabilities, and for working capital and other general corporate purposes. We will need to raise additional funds to progress into clinical development any additional product candidates that we may select. Additionally, changing circumstances may cause us to consume capital significantly faster than we currently anticipate, and we may need to spend more money than currently expected because of circumstances beyond our control. We may require additional capital for the further development and commercialization of our product candidates and may need to raise additional funds sooner if we choose to expand more rapidly than we presently anticipate.

We cannot be certain that additional funding will be available on acceptable terms, or at all. If we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we may have to significantly delay, scale back or discontinue the development or commercialization of our product candidates or other research and development initiatives. Our license agreements may also be terminated if we are unable to meet the payment obligations under the agreements. We could be required to seek collaborators for our product candidates at an earlier stage than otherwise would be desirable or on terms that are less favorable than might otherwise be available or relinquish or license on unfavorable terms our rights to our product candidates in markets where we otherwise would seek to pursue development or commercialization ourselves.

Any of the above events could significantly harm our business, prospects, financial condition and results of operations and cause the price of our common stock to decline.

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

We may seek additional capital through a combination of public and private equity offerings, debt financings, strategic partnerships and alliances and licensing 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 may include liquidation or other preferences that adversely affect your rights as a stockholder. The incurrence of indebtedness would result in increased fixed payment obligations and could involve certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. If we raise additional funds through strategic partnerships and alliances and licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies or product candidates, or grant licenses on terms unfavorable to us.

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

Because we have limited financial and managerial resources, we focus on research programs and product candidates that we identify for specific indications. As a result, we may forego or delay pursuit of opportunities with other product candidates or for other indications that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Our spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable programs. 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.

Risks Related to Ownership of our Common Stock

Risks Related to Investment in Securities

An active trading market for our common stock may not be sustained.

Our common stock began trading on the Nasdaq Global Select Market on March 29, 2018. Given the limited trading history of our common stock, there is a risk that an active trading market for our shares may not be sustained, which could put downward pressure on the market price of our common stock and thereby affect the ability of our stockholders to sell their shares at attractive prices, at the times that they would like to sell them, or at all.

The price of our stock may be volatile, and you could lose all or part of your investment.

The trading price of our common stock is likely to continue to be highly volatile. Market prices for our common stock could be subject to wide fluctuations in response to various factors, including:

- the commencement, enrollment, or results of the clinical trials of our product candidates or any future clinical trials we may conduct, or changes in the development status of our product candidates;
- any delay in our regulatory filings for our product candidates and any adverse development or perceived adverse development with respect to the applicable regulatory authority’s review of such filings, including without limitation the FDA’s issuance of a “refusal to file” letter or a request for additional information;

- adverse results or delays in clinical trials;
- our decision to initiate a clinical trial, not to initiate a clinical trial, or to terminate an existing clinical trial;
- adverse regulatory decisions, including failure to receive regulatory approval of our product candidates;
- changes in laws or regulations applicable to our products, including but not limited to clinical trial requirements for approvals;
- adverse developments concerning our manufacturers;
- our inability to obtain adequate product supply for any approved product or inability to do so at acceptable prices;
- our inability to establish collaborations if needed;
- our failure to commercialize our product candidates;
- additions or departures of key scientific or management personnel;
- unanticipated serious safety concerns related to the use of our product candidates;
- introduction of new products or services offered by us or our competitors;
- announcements of significant acquisitions, strategic partnerships, joint ventures, or capital commitments by us or our competitors;
- our ability to effectively manage our growth;
- the size and growth of our initial cancer target markets;
- our ability to successfully treat additional types of cancers or at different stages;
- actual or anticipated variations in quarterly operating results;
- our cash position;
- our failure to meet the estimates and projections of the investment community or that we may otherwise provide to the public;
- publication of research reports about us or our industry, or immunotherapy in particular, or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- changes in the market valuations of similar companies;
- overall performance of the equity markets;
- sales of our common stock by us or our stockholders in the future;
- trading volume of our common stock;
- changes in accounting practices;
- ineffectiveness of our internal controls;
- disputes or other developments relating to proprietary rights, including patents, litigation matters, and our ability to obtain patent protection for our technologies;
- significant lawsuits, including patent or stockholder litigation;
- general political and economic conditions; and
- other events or factors, many of which are beyond our control.

In addition, the stock market in general, and The Nasdaq Global Select Market and biopharmaceutical companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of our common stock, regardless of our actual operating performance. If the market price of our common stock does not exceed your purchase price, you may not realize any return on your investment in us and may lose some or all of your investment. In the past, securities class action litigation has often

been instituted against companies following periods of volatility in the market price of a company's securities. This type of litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources, which would harm our business, operating results, or financial condition.

On December 31, 2019, we received a letter from the Listing Qualifications Department of the Nasdaq Stock Market (Nasdaq) notifying us that, for the last 30 consecutive business days, our common stock had not maintained a minimum closing bid price of $1.00 per share (or the Minimum Bid Price Requirement) pursuant to Nasdaq Listing Rule 5450(a)(1). The Nasdaq letter did not result in the immediate delisting of our common stock from The Nasdaq Global Select Market.

In accordance with Nasdaq Listing Rule 5810(c)(3)(A), we had an initial period of 180 calendar days to regain compliance with the Minimum Bid Price Requirement, which was tolled as of April 16, 2020 and restarted on July 1, 2020. We had until September 11, 2020 to regain compliance with the Minimum Bid Price Requirement. On July 20, 2020, we received notification from the Nasdaq that we had regained compliance with the Minimum Bid Price Requirement.

Risks Related to Ownership of Securities Generally

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

We currently anticipate that we will retain future earnings for the development, operation, and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. In addition, the terms of any future debt financing arrangement may contain terms prohibiting or limiting the amount of dividends that may be declared or paid on our common stock. Any return to stockholders will therefore be limited to the appreciation of their stock, which may never occur.

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

Our executive officers, directors, and 5% stockholders beneficially owned over 70% of our outstanding common stock as of September 30, 2020. These stockholders will have the ability to influence us through this ownership position. These stockholders may be able to determine all matters requiring stockholder approval. For example, these stockholders may be able to control elections of directors, amendments of our organizational documents, or approval of any merger, sale of assets, or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for our common stock that you may feel are in your best interest as one of our stockholders.

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.

If our existing stockholders sell, or indicate an intention to sell, substantial amounts of our common stock in the public market after other legal restrictions on resale entered into during our IPO, and the Financing and the Merger lapse, the trading price of our common stock could decline.

In addition, shares of common stock that are either subject to outstanding options or reserved for future issuance under our 2018 Stock Option and Incentive Plan ("2018 Plan") will become eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules and Rule 144 and Rule 701 under the Securities Act of 1933, as amended (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.

As of September 30, 2020, the holders of 118,638 shares of our Series A Preferred Stock, which are convertible into 29,659,500 shares of our common stock, are entitled to rights with respect to the registration of their shares under the Securities Act. Additionally, we have agreed to register 1,558,975 shares of our common stock and 44,687 shares of our Series A Preferred Stock, which are convertible into 11,171,750 shares of our common stock, under the Securities Act. A registration statement covering 42,390,225 shares of our common stock has been filed. 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 have a material adverse effect on the trading price of our common stock.

Future sales and issuances of our common stock or rights to purchase common stock, including pursuant to our 2018 Plan, could result in additional dilution of the percentage ownership of our stockholders and could cause our stock price to fall.

We expect that significant additional capital may be needed in the future to continue our planned operations, including conducting clinical trials, commercialization efforts, expanded research and development activities, and costs associated with operating as a public company. To raise capital, we may sell common stock, convertible securities, or other equity securities in one or more transactions at prices and in a manner we determine from time to time. If we sell common stock, convertible securities, or other equity securities, investors may be materially diluted by subsequent sales. Such sales may also result in material dilution to our existing stockholders, and new investors could gain rights, preferences, and privileges senior to the holders of our common stock.

Pursuant to the 2018 Plan, our management is authorized to grant stock options to our employees, directors, and consultants. The number of shares initially reserved for issuance under the 2018 Plan is 636,889 plus the 257,558 shares of common stock remaining available for issuance under the 2015 Stock Incentive Plan ("2015 Plan"). Additionally, the shares of common stock underlying any awards that are forfeited, canceled, held back upon exercise or settlement of an award to satisfy the exercise price or tax withholding, repurchased or are otherwise terminated by us under the 2018 Plan or the 2015 Plan will be added back to the shares of common stock available for issuance under the 2018 Plan. As of September 30, 2020, 983,251 shares remained available for future issuance under the 2018 Plan. The number of shares of our common stock reserved for issuance under the 2018 Plan shall be cumulatively increased on January 1, 2019 and each January 1 thereafter by 4% of the total number of shares of our common stock outstanding on December 31 of the preceding calendar year or a lesser number of shares determined by our board of directors. Unless our board of directors elects not to increase the number of shares available for future grant each year, our stockholders may experience additional dilution, which could cause our stock price to fall.

We are an emerging growth company, and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act ("JOBS Act") enacted in April 2012. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended (Sarbanes-Oxley Act), reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding nonbinding advisory votes on executive compensation and stockholder approval of any golden parachute payments not previously approved. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the closing of our IPO, (b) in which we have total annual gross revenue of at least $1.07 billion, or (c) in which we are deemed to be a large accelerated filer, which requires the market value of our common stock that is held by non-affiliates to exceed $700 million as of the prior June 30th, and (2) the date on which we have issued more than $1 billion in non-convertible debt during the prior three-year period. Even after we no longer qualify as an emerging growth company, we may still qualify as a "smaller reporting company," which would allow us to take advantage of many of the same exemptions from disclosure requirements, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected to "opt out" of this exemption from new or revised accounting standards and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies. As a result, changes in rules of U.S. generally accepted accounting principles or their interpretation, the adoption of new guidance, or the application of existing guidance to changes in our business could significantly affect our financial position and results of operations.

We are a "smaller reporting company" and we cannot be certain if the reduced disclosure requirements applicable to smaller reporting companies will make our common stock less attractive to investors.

We are a "smaller reporting company," as defined in Rule 12b-2 under the Exchange Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies, including "emerging growth companies" such as, but not limited to, potentially not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. Our status as a smaller reporting company is

determined on an annual basis. We cannot predict if investors will find our common stock less attractive or our company less comparable to certain other public companies because we will rely on these exemptions. For example, if we do not adopt a new or revised accounting standard, our future financial results may not be as comparable to the financial results of certain other companies in our industry that adopted such standards. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

Risks Related to Growth

We incur significant increased costs as a result of operating as a public company, and our management is required to devote substantial time to new compliance initiatives.

As a public company, we incur significant legal, accounting, and other expenses that we did not incur as a private company. We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, which requires, among other things, that we file with the Securities and Exchange Commission (the "SEC"), annual, quarterly, and current reports with respect to our business and financial condition. In addition, the Sarbanes-Oxley Act, as well as rules subsequently adopted by the SEC and The Nasdaq Global Select Market to implement provisions of the Sarbanes-Oxley Act, impose significant requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Further, in July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), was enacted. There are significant corporate governance and executive compensation related provisions in the Dodd-Frank Act that require the SEC to adopt additional rules and regulations in these areas, such as "say on pay" and proxy access. Recent legislation permits emerging growth companies to implement many of these requirements over a longer period and up to five years from the date of our IPO. We intend to take advantage of this new legislation but cannot guarantee that we will not be required to implement these requirements sooner than budgeted or planned and thereby incur unexpected expenses. Stockholder activism, the current political environment, and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact the manner in which we operate our business in ways we cannot currently anticipate.

We expect the rules and regulations applicable to public companies to substantially increase our legal and financial compliance costs and to make some activities more time-consuming and costly. If these requirements divert the attention of our management and personnel from other business concerns, they could have a material adverse effect on our business, financial condition, and results of operations. The increased costs will decrease our net income or increase our net loss and may require us to reduce costs in other areas of our business or increase the prices of our products or services. For example, we expect these rules and regulations to 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 the same or similar 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.

Risks Related to our Charter and Bylaws

Anti-takeover provisions under our charter documents and Delaware law could delay or prevent a change of control, which could limit the market price of our common stock and may prevent or frustrate attempts by our stockholders to replace or remove our current management.

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that could delay or prevent a change of control of our company or changes in our board of directors that our stockholders might consider favorable. Some of these provisions include:

- a board of directors divided into three classes serving staggered three-year terms, such that not all members of the board will be elected at one time;
- a prohibition on stockholder action through written consent, which requires that all stockholder actions be taken at a meeting of our stockholders;
- a requirement that special meetings of stockholders be called only by the chairperson of the board of directors, the chief executive officer, or by a majority of the total number of authorized directors;
- advance notice requirements for stockholder proposals and nominations for election to our board of directors;

- a requirement that no member of our board of directors may be removed from office by our stockholders except for cause and, in addition to any other vote required by law, upon the approval of not less than two-thirds of all outstanding shares of our voting stock then entitled to vote in the election of directors;
- a requirement of approval of not less than two-thirds of all outstanding shares of our voting stock to amend any bylaws by stockholder action or to amend specific provisions of our certificate of incorporation; and
- the authority of the board of directors to issue preferred stock on terms determined by the board of directors without stockholder approval and which preferred stock may include rights superior to the rights of the holders of common stock.

In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporate Law, which may prohibit certain business combinations with stockholders owning 15% or more of our outstanding voting stock. These anti-takeover provisions and other provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make it more difficult for stockholders or potential acquirers to obtain control of our board of directors or initiate actions that are opposed by the then-current board of directors and could also delay or impede a merger, tender offer, or proxy contest involving our company. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing or cause us to take other corporate actions you desire. Any delay or prevention of a change of control transaction or changes in our board of directors could cause the market price of our common stock to decline.

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

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware will be 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 Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws, any action to interpret, apply, enforce, or determine the validity of our certificate of incorporation or bylaws or any action asserting a claim against us that is governed by the internal affairs doctrine. The 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 our directors, officers, or other employees, which may discourage such lawsuits against us and our directors, officers, and other employees. Alternatively, if a court were to find the choice of forum provision contained in our 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 adversely affect our business and financial condition.

Risks Related to Internal Controls

If we fail to establish and maintain proper and effective internal control over financial reporting, our operating results and our ability to operate our business could be harmed.

Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be re-evaluated frequently. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles.

Implementing any appropriate changes to our internal controls may distract our officers and employees, entail substantial costs to modify our existing processes, and take significant time to complete. These changes may not, however, be effective in maintaining the adequacy of our internal controls, and any failure to maintain that adequacy, or consequent inability to produce accurate financial statements on a timely basis, could increase our operating costs and harm our business. In addition, investors' perceptions that our internal controls are inadequate or that we are unable to produce accurate financial statements on a timely basis may harm our stock price and make it more difficult for us to effectively market and sell our service to new and existing customers. In connection with our IPO, we began the process of documenting, reviewing, and improving our internal controls and procedures for compliance with Section 404 of the Sarbanes-Oxley Act, which requires annual management assessment of the effectiveness of our internal control over financial reporting. We have continued recruiting additional finance and accounting personnel with certain skill sets that we need as a public company.

Risks Related to Market Research

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

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. Securities and industry analysts do not currently, and may never, publish research on our company. If no securities or industry analysts commence coverage of our company, the trading price for our stock would likely be negatively impacted. In the event securities or industry analysts initiate coverage, if one or more of the analysts who covers us downgrades our stock or publishes inaccurate or unfavorable research about our business, our stock price may decline. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our stock could decrease, which might cause our stock price and trading volume to decline.

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

In July 2020, we entered into a Securities Purchase Agreement (the "Purchase Agreement") with the purchasers named therein (the "Investors"). Pursuant to the Purchase Agreement, we agreed to sell an aggregate of approximately 118,638 shares of Series A Preferred Stock for gross proceeds of $104.4 million, or net proceeds of approximately $98.9 million after deducting commissions and estimated offering costs. Proceeds will be used to support general corporate working capital purposes, including the on-going development efforts with respect to PLX9486.

Item 6. Exhibits.

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated July 6, 2020, by and among Unum Therapeutics Inc., Utah Merger Sub 1 LLC, Utah Merger Sub 2 LLC and Kiq LLC (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K (File No. 001-38443) filed on July 6, 2020)
3.1	Certificate of Designations of Series A Non-Voting Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K (File No. 001-38443) filed on July 6, 2020)
3.2	Third Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form S-1 (File No. 333-223414) filed March 19, 2018)
3.3	Certificate of Amendment to the Third Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K (File No. 001-38443) filed on October 5, 2020)
3.4	Certificate of Amendment to the Third Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K (File No. 001-38443) filed on November 9, 2020)
3.5	Second Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Form 8-K (File No. 001-38443) filed on October 5, 2020)
10.1	Securities Purchase Agreement, dated as of July 6, 2020, by and among Unum Therapeutics Inc. and each purchaser identified on Annex A thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K (File No. 001-38443) filed on July 6, 2020)
10.2	Form of Registration Rights Agreement, by and among Unum Therapeutics Inc. and certain purchasers (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K (File No. 001-38443) filed on July 6, 2020)
10.3#	Employment Agreement, dated July 6, 2020, between Unum Therapeutics Inc. and John L. Green (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K (File No. 001-38443) filed on July 6, 2020)
10.4#	Amendment to Employment Agreement, dated July 6, 2020, between Unum Therapeutics Inc. and Jessica Sachs (incorporated by reference to Exhibit 10.5 to the Registrant's Form 8-K (File No. 001-38443) filed on July 6, 2020)
10.5#*^	Asset Purchase Agreement, dated August 28, 2020, by and among, Unum Therapeutics Inc. SOTIO LLC and SOTIO NV
10.6	License Agreement, dated as of May 27, 2020, by and between Kiq LLC and Plexxikon Inc. (incorporated by reference to Exhibit 10.6 to the Registrant's Form 10-Q/A (File No. 001-38443) filed on October 6, 2020)
10.7#*^	Employment Agreement, dated October 23, 2020, between Cogent Biosciences, Inc. and Andrew Robbins
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*†	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*†	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Calculation Linkbase Document.

101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Label Linkbase Document.
101.PRE	XBRL Taxonomy Presentation Linkbase Document.

* Filed herewith

\# Indicates a management contract or any compensatory plan, contract or arrangement.

^ Pursuant to Item 601(b)(10) of Regulation S-K, certain confidential portions of this exhibit were omitted by means of marking such portions with an asterisk because the identified confidential portions (i) are not material and (ii) would be competitively harmful if publicly disclosed.

† This certification will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 as amended (the "Exchange Act"), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent specifically incorporated by reference into such filing.

SIGNATURES

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

COGENT BIOSCIENCES, INC.

Date: November 9, 2020

By: /s/ Andrew Robbins
Andrew Robbins
President and Chief Executive Officer
(Principal Executive Officer)

Date: November 9, 2020

By: /s/ John Green
John Green
Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.5

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND REPLACED WITH "[***]". SUCH IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF DISCLOSED.

ASSET PURCHASE AGREEMENT

BY AND AMONG

SOTIO, LLC,

SOTIO N.V.,

AND

UNUM THERAPEUTICS INC.

Dated as of August 28, 2020

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EXHIBITS

ASSET PURCHASE AGREEMENT

This **ASSET PURCHASE AGREEMENT** (the "**Agreement**") is entered into as of August 28, 2020 by and among Unum Therapeutics Inc., a Delaware corporation ("**Seller**"), SOTIO, LLC, a Delaware limited liability company ("**Buyer**"), and SOTIO N.V., a company organized under the laws of the Netherlands ("**Buyer Guarantor**"). Buyer and Seller are referred to collectively in this Agreement as the "Parties." Capitalized terms used herein but not otherwise defined shall have the meaning set forth in Section 9.

W I T N E S E T H

WHEREAS, the Parties wish to provide for the purchase by Buyer of certain assets from Seller and to provide for certain related transactions on the terms and subject to the conditions and other provisions set forth in this Agreement and the Transaction Documents;

WHEREAS, Seller is in the business, among other things, of developing curative cell therapies for solid tumors and owns and operates the BOXR Platform and the ACTIA Platform;

WHEREAS, subject to the terms and conditions hereof, Seller desires to sell certain of Seller's assets exclusively used in the operation of the BOXR Platform or the ACTIA Platform;

WHEREAS, subject to the terms and conditions hereof, Buyer desires to purchase such assets used in the operation of the BOXR Platform or the ACTIA Platform for the consideration specified herein with the assumption by Buyer of certain Assumed Liabilities; and

WHEREAS, simultaneously with the execution of this Agreement, each of [***] (each, a "**Key Employee**"), has entered into an offer of employment with Buyer and a confidentiality, invention assignment and non-solicitation agreement, in each case, to be effective as of the Closing.

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Agreement and of the representations, warranties, conditions, agreements and promises contained herein and other good and valuable consideration, the parties hereto agree as follows:

Section 1 - Purchase and Sale of Assets

Sale of Assets

. On the terms and subject to the provisions of this Agreement, Seller agrees to sell, assign, transfer, convey and deliver to Buyer, and Buyer agrees to purchase, take delivery of and acquire from Seller, at the Closing, all legal and beneficial right, title and interest of Seller in and to the Purchased Assets, free and clear of all Claims, other than Permitted Encumbrances. As used herein, "**Purchased Assets**" shall mean all right, title and interest of Seller in and to the following assets of Seller related to, used in, or held for use in the BOXR Platform or the ACTIA Platform, other than the Excluded Assets:

(a) The office supplies, machinery, equipment, furniture, furnishings, fixtures, tools, instruments (including, for the avoidance of doubt, any computer, specialized software and data associated therewith), Inventory and other tangible personal property (collectively, the "**Personal Property**"), listed on Schedule 1.1(a) hereto;

(b) Subject to Section 1.4, all the rights in and interests to the Contracts, proposals and other related agreements set forth on Schedule 1.1(b) hereto (collectively, the "**Acquired Contracts**");

(c) All Seller Intellectual Property Assets, including the Seller Patents, Seller Marks and Seller Copyrights listed on Schedule 1.1(c), but excluding, for the avoidance of doubt, (i) the Patents listed on Schedule 1.2(b) and (ii) any Intellectual Property Assets that are exclusively related to the ACTR Platform, the COPR Platform or the Kiq Platform;

(d) All Transferred Regulatory Documentation;

(e) All Transferred Records;

(f) All rights under any agreements with the Seller Associates solely to the extent relating to proprietary rights, confidentiality, noncompetition and assignment of inventions (the "**Purchased Confidentiality Rights**");

(g) All personnel files and records with respect to any Seller Associate who is to become a Continuing Employee of Buyer;

(h) All right, title and interest of Seller in and to the goodwill incident to the BOXR Platform or the ACTIA Platform, if any; and

(i) All claims, counterclaims, defenses, causes of action, rights under express or implied warranties, rights of recovery, rights of set-off, rights of subrogation and all other rights of any kind against any Third Party, to the extent relating to any Purchased Assets or Assumed Liabilities (the "**Purchased Defenses and Claims**").

Notwithstanding the foregoing to the contrary or anything in Section 1.2 to the contrary, and subject to Section 6.4, (i) any Seller Intellectual Property Assets and any Excluded Assets (including any Intellectual Property Assets contained within either any Regulatory Documentation or any books, records and recorded information maintained by Seller or any of its Affiliates thereof as of the Closing Date) that are necessary or reasonably useful in the development, manufacture or commercialization of programs using the BOXR Platform or the ACTIA Platform but not otherwise included among the Purchased Assets and (ii) any Seller Intellectual Property Assets that would otherwise be Purchased Assets but are necessary or reasonably useful in the development, manufacture or commercialization of programs using the ACTR platform technology, in the case of each of (i) and (ii), other than the Seller Patents listed on Schedule 1.1(c) and the Patents listed on Schedule 1.2(b)) (collectively, the "**Joint Intellectual Property Assets**"), shall be jointly owned by the Parties from and after the Closing, and Seller shall only transfer to Buyer an undivided, co-equal interest in such Joint Intellectual Property Assets, which undivided, co-equal interest of Buyer in such Joint Intellectual Property Assets shall be a "Purchased Asset" for purposes of this Agreement.

Excluded Assets

. Notwithstanding any provision in Section 1.1 (other than the last paragraph in Section 1.1), Seller is not selling, and Buyer is not purchasing, any other assets,

properties or right of Seller or any of its Affiliates other than the Purchased Assets (collectively, the "**Excluded Assets**"), which Excluded Assets shall include:

(a) The rights which accrue or will accrue to Seller under the Transaction Documents;

(b) All Intellectual Property Assets that are exclusively related to the ACTR Platform, COPR Platform or Kiq Platform, including the Patents listed on Schedule 1.2(b) (subject to the last paragraph in Section 1.1);

(c) All Contracts, other than the specifically listed Acquired Contracts (including any such Contracts that are not listed on Schedule 1.1(b)) (the "**Excluded Contracts**");

(d) The furniture and lab equipment listed on Schedule 1.2(d);

(e) All real property interests whether owned or leased by Seller, including, without limitation, the Indenture of Lease by and between King 200 CPD LLC and Seller, dated as of July 7, 2015, as amended and in effect, with respect to the property at 200 CambridgePark Drive, Cambridge, MA 02140 (the "**Lease**");

(f) All accounts receivable, notes receivable or similar items;

(g) All securities or other equity interests of any Person owned by or held by Seller or any of Seller's Affiliates;

(h) All rights, claims and credits (including all indemnities, warranties and similar rights), defenses or causes of action against third parties in favor of Seller, Seller's Affiliates or any of their respective representatives that are not Purchased Defenses and Claims;

(i) The corporate seals, organizational documents, minute books, stock books, Tax Returns, books of account or other records having to do with the corporate organization of Seller and not solely related to the BOXR Platform or the ACTIA Platform;

(j) Any employment agreement or employment offer letters to which Seller is a party and any Employee Plan or any employment related policies, other than the Purchased Confidentiality Rights;

(k) All bank accounts of Seller;

(l) All Permits, together with, if any, all rights of renewal and amenities thereto;

(m) All Cash of Seller; and

(n) Any right to Tax credits or claims for the refund (or credit against future payment) of any Taxes paid by Seller or its Affiliates (except to the extent such Taxes are reimbursed by Buyer pursuant to Section 5.3(b)).

Assumption of Liabilities

.

(a) Assumed Liabilities. On the terms and subject to the conditions in this Agreement, upon the Closing, Buyer shall assume and agree to pay or discharge when due or perform in accordance with their respective terms all Liabilities in respect of the Acquired Contracts but only to the extent that such Liabilities thereunder are required to be performed after the Closing Date, were incurred in the ordinary course of business and do not relate to any failure to perform, improper performance, warranty or other breach, default or violation by Seller on or prior to the Closing; provided, however, that (i) Buyer shall not assume, be responsible for, be bound by, pay, perform or discharge, or have any liability or obligations with respect to the [***], and (ii) subject to Section 1.4, Buyer shall not be obligated to assume, pay, perform or discharge any Liability under any such Acquired Contract, if Seller shall not have obtained, prior to the Closing Date, any consent required to be obtained from any Person with respect to the assignment or delegation to Buyer of any rights or obligations under such Acquired Contract (collectively, the "**Assumed Liabilities**").

(b) Excluded Liabilities. Notwithstanding the provisions of Section 1.3(a) or any other provisions in the Transaction Documents to the contrary, other than the Assumed Liabilities, Buyer shall not assume, be responsible for, be bound by, pay, perform or discharge, or have any liability or obligations with respect to, any Liabilities of Seller or any of its Affiliates or the BOXR Platform or the ACTIA Platform of any kind or nature whatsoever, and Seller shall be responsible for, be bound by, pay, perform or discharge, all obligations or Liabilities of Seller or any of its Affiliates or the BOXR Platform or the ACTIA Platform of any kind or nature, whether or not related to the BOXR Platform or the ACTIA Platform or the Purchased Assets (the "**Excluded Liabilities**"), and including, without limiting the generality of the foregoing, all of the following Liabilities:

(i) Any Liabilities arising out of or related to the ownership, use or operation of the BOXR Platform or the ACTIA Platform or the Purchased Assets prior to Closing;

(ii) Any Liabilities to the extent either arising out of or relating to the Excluded Assets;

(iii) All Liabilities agreed to be performed by Seller pursuant to the terms of this Agreement or any of the Transaction Documents;

(iv) All Liabilities arising prior to or as of the Closing Date relating to, arising out of, or otherwise resulting from the engagement, service, or termination of engagement or service, of any employees, independent contractors, consultants, or other individuals who provide services to Seller or any of its

Affiliates (including any Liabilities arising out of or relating to or pursuant to any compensation or benefit plan, program, policy, agreement or arrangement that is or was at any time prior to the Closing Date established, sponsored, maintained or contributed to or required to be contributed to by Seller or any of its Affiliates);

(v) All expenses incurred by Seller in connection with the transactions contemplated by this Agreement;

(vi) Any Liabilities or obligations arising out of or resulting from the ownership, possession or operation of the BOXR Platform or the ACTIA Platform or the Purchased Assets prior to the Closing (in each case, to the extent arising out of underlying facts, events or circumstances first occurring or first existing or arising from an event occurring prior to the Closing);

(vii) (A) any Liability of Seller or any Affiliate of Seller for income Taxes, (B) any Liability of Seller or any Affiliate of Seller for Taxes, or any Liability for Taxes with respect to the Purchased Assets or Assumed Liabilities, in each case arising with respect to taxable periods (or portions thereof) ending on or prior to the Closing Date, (C) any Liability of Seller or any Affiliate of Seller for the unpaid Taxes of any Person under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, or by contract, and (D) any Transfer Taxes for which Seller is liable under Section 5.3(a);

(viii) Earned but unpaid compensation of any kind accrued by Seller Associates prior to or as of the Closing Date, including without limitation retroactive pay raises, commission payments, officer or employee bonuses, unpaid profit-sharing plans or payments, and any accrued but unpaid severance or similar obligations prior to or as of the Closing Date;

(ix) Liabilities that have accrued under any employment, consulting or independent contractor agreement by and between Seller and any Seller Associate prior to the Closing Date;

(x) Liabilities relating to any transaction bonus, change of control, parachute or similar payment;

(xi) Liabilities of relating to any Seller Associates who are not Continuing Employees; and

(xii) Any other liability or obligation that is not an Assumed Liability.

Assignment of Contracts and Rights

.

(a) Notwithstanding anything to the contrary contained in this Agreement, this Agreement and the other Transaction Documents shall not constitute an agreement to assign or transfer any Contract or Permit constituting a Purchased Asset, or

any other Purchased Asset, if an attempted assignment thereof, without consent of any Third Party thereto, would constitute a breach or other contravention thereof or in any way adversely affect the rights of Buyer thereunder.

(b) Prior to Closing, Seller will use its commercially reasonable efforts to obtain the consent of all necessary Third Parties to any Contract or Permit constituting a Purchased Asset, or any other Purchased Asset that is not assignable or transferable to Buyer either by virtue of the provisions thereof or under applicable Legal Requirements without the consent of one or more Third Parties, for the assignment thereof to Buyer or its designated Affiliate; provided however, that Seller shall not be required to make any payment or concession to any Third Party in order to obtain any such authorizations, approvals, consents or waivers from such Third Party.

(c) If any Contract or Permit constituting a Purchased Asset, or any other Purchased Asset is not assignable or transferable to Buyer either by virtue of the provisions thereof or under applicable Legal Requirement without the consent of one or more Third Parties (each a "***Non-Assignable Right***"), Seller shall use its commercially reasonable efforts to obtain such consents after the execution of this Agreement until such consent is obtained; provided however, that Seller shall not be required to make any payment or concession to any Third Party in order to obtain any such authorizations, approvals, consents or waivers from such Third Party.

(d) If any such consent cannot be obtained prior to the Closing, then notwithstanding anything to the contrary in this Agreement or the Transaction Documents, (i) this Agreement and the related instruments of transfer shall not constitute an assignment or transfer of the Non-Assignable Right and (A) Seller shall use its commercially reasonable efforts to obtain such consent as soon as practicable after Closing, and pending the receipt of such consents, shall use its commercially reasonable efforts to maintain good relations with any obligees or other counterparties in connection with such Non-Assignable Right, and (B) Buyer shall cooperate, to the extent commercially reasonable with Seller in Seller's efforts to obtain such consent; and (ii) at Buyer's election, (x) the Non-Assignable Right shall be an Excluded Asset and Buyer shall have no obligation pursuant to Section 1.1 or Section 1.3(a) or otherwise with respect to any such Non-Assignable Right or any Liability with respect thereto or (y) Seller shall use its commercially reasonable efforts to cooperate in an arrangement under which Buyer would obtain the benefits and assume the obligations of such Non-Assignable Right, including by (1) entering into reasonable alternative arrangements on terms mutually agreeable to Buyer and Seller and (2) enforcing, at the cost of and for the account of Buyer, any and all rights of Seller against the other party thereto arising under the Non-Assignable Right, it being understood and agreed that Buyer's assumption of the obligations of such Non-Assignable Right pursuant to an arrangement described in this clause (y) shall constitute Assumed Liabilities for purposes of this Agreement. Notwithstanding the foregoing, no Party hereto shall be required to make any payment or concession to any Third Party in order to obtain any authorizations, approvals, consents or waivers from such Third Party.

Signing and Closing

. Subject to the terms and conditions of this Agreement, the consummation of the transactions contemplated by this Agreement (the "**Closing**") shall take place

remotely through the execution and exchange of the documents and agreements contemplated herein to be executed and delivered in connection with the Closing (or such other place as the parties may agree) no later than the second (2nd) business day following the satisfaction or waiver of each of the conditions set forth in Section 4 hereof (other than those conditions that by their nature are to be satisfied by actions taken at the Closing, but subject to the satisfaction or waiver of such conditions), or at such other time and place as may be mutually agreed to by the parties. Such date referred to in this Agreement as the "**Closing Date**."

Purchase Price

.

(a) In consideration for the sale, transfer, conveyance, assignment and delivery to Buyer of the Purchased Assets and the other obligations of Seller pursuant to this Agreement, the Buyer shall (i) pay the Total Consideration in accordance with Section 1.7 and Section 1.9 and (ii) assume the Assumed Liabilities.

Payment of Closing Payment

.

(a) At the Closing, Buyer shall:

(i) pay to Seller the Closing Purchase Price less the Escrow Amount in cash by wire transfer of immediately available funds to the account(s) designated in writing to Buyer by Seller not less than two (2) business days prior to the Closing;

(ii) deposit the Escrow Amount by wire transfer of immediately available funds to the account(s) designated by the Escrow Agent, to be held in escrow pursuant to the terms of the Escrow Agreement; and

(iii) assume the Assumed Liabilities.

Allocation of Purchase Price

.

(a) Seller shall prepare an allocation statement (a "**Draft Allocation Statement**") allocating the Closing Purchase Price among the Purchased Assets in accordance with the Internal Revenue Code of 1986, as amended (the "**Code**"), and applicable Treasury Regulations promulgated thereunder. Seller shall deliver the Draft Allocation Statement to Buyer as soon as reasonably practicable after the Closing Date. Buyer may review and comment upon such allocation within [***] of its receipt, and Buyer and Seller shall mutually cooperate in good faith to agree on a mutually acceptable allocation statement within [***] of receipt of Seller's comments; provided, that in the event the Buyer and Seller are unable to agree on a mutually acceptable allocation statement within such [***] period, any dispute shall be resolved by an independent accounting firm mutually acceptable to Buyer and Seller, the cost of which will be borne and paid [***]. The allocation statement as agreed to by Buyer and Seller or as determined by such independent accounting firm shall be referred to as the "**Allocation Statement**". In the event that additional amounts are paid pursuant to Section 1.9 or the Total Consideration is adjusted pursuant to Section 8, the Allocation Statement shall be revised in a manner consistent with this Section 1.8. Buyer and Seller and their respective

Affiliates shall report, act and file Tax Returns (as defined below) in all respects and for all purposes consistent with such Allocation Statements as prepared and revised in accordance with this Section 1.8. Buyer and Seller shall timely and properly prepare, execute, file and deliver all such documents, forms and other information as the other party may reasonably request in connection with such allocation.

(b) With respect to any Purchased Assets that are Personal Property, an amount of the Closing Purchase Price equal to the net book value of such Purchased Assets, in approximately the amounts set forth on Schedule 1.8, shall be allocated in the Allocation Statement to such Purchased Assets, and the remainder of the Total Consideration, and the value of any Assumed Liabilities to the extent properly taken into account for income Taxes, shall be allocated in the Allocation Statement among the Purchased Assets that are Seller Intellectual Property Assets.

(c) The Allocation Statement will be conclusive and binding upon the Parties for tax purposes, and no Party will make any statement or declaration to any taxing authority that is inconsistent with the Allocation Statement, except as provided below. No Party will take or permit any of its affiliates or representatives to take any position on any tax return, with any taxing authority or in any judicial tax proceeding that is inconsistent with the Allocation Statement except as required by a final determination within the meaning of Section 1313(a) of the Code or any equivalent provision of any applicable state or local law. Each Party will timely notify the other Parties, and will timely provide the other Parties with assistance, in the event of an examination, audit or other proceeding regarding the Allocation Statement. Notwithstanding anything to the contrary herein, the Parties acknowledge that Seller and Buyer may be required to use one or more different methodologies of allocating the Closing Purchase Price for accounting or financial reporting purposes.

Milestone Payments

. Subject to Section 8.8, Seller shall be entitled to certain contingent cash payments determined as set forth below (collectively, the "Milestone Payments").

(a) Milestone Payments. Buyer shall promptly notify Seller in writing of the first achievement of each milestone event set forth below (each, a "Milestone Event") by or on behalf of Buyer, and the Buyer shall make a one-time, cash payment in the amount below corresponding to such Milestone Event, within [***] after provision of such notice, to Seller of the Milestone Payment.

Milestone Event	Milestone Payment (in U.S. Dollars)
Issuance of a Specified Claim by [***]	$[***]
Issuance of a Specified Claim by [***]	$[***]

(i) Certain Limitations. Each of the Milestone Payments shall only be payable once, upon the first occurrence of the corresponding Milestone

Event, and no additional payment will be due in the event of any repeated occurrence of such Milestone Event. For clarity, the aggregate amount of all Milestone Payments under this Agreement shall not exceed U.S. $3,400,000.

(ii) [***].

(b) [***].

(c) The right of Seller to receive any amounts with respect to Milestone Payments (i) shall not be evidenced by a certificate or other instrument, (ii) shall not be assignable or otherwise transferable by Seller, and (iii) does not represent any right other than the right to receive the consideration set forth in this Section 1.9(a). Any attempted transfer of the right to any amounts with respect to Milestone Payments by Seller shall be null and void.

Transfer Expenses, Costs, Fees

. Subject to Section 1.4 and Section 5.3(a), Seller and Buyer shall each bear their own (i) costs incurred, whether at or subsequent to the Closing, in connection with the transfer of the Purchased Assets in connection with this Agreement, (ii) recording charges and fees applicable to the recordation of deeds and mortgages and other instruments of transfer and (iii) costs of obtaining or transferring permits, registrations, applications and other tangible and intangible properties.

Further Assurances

. Each party from time to time after the Closing at the request of any other party and without further consideration shall do, execute, acknowledge, deliver and file or cause to be done, executed, acknowledged, delivered or filed, all such further acts, deeds, transfers, conveyances, assignments, documents, certifications of transfer, assurances and take such other action as such other party may reasonably require to more effectively carry out the terms and conditions of, and the transactions contemplated by, this Agreement and to vest more effectively in Buyer, or to put Buyer more fully in possession of, any of the Purchased Assets and to carry out, evidence, and confirm the intended purposes of this Agreement.

Section 2 - Representations and Warranties of Seller

Except as set forth in the correspondingly numbered Section of the Disclosure Schedules delivered to Buyer as of the date hereof (the "**Disclosure Schedules**"), Seller represents and warrants that the statements contained in this Section 2 are true and correct as of the date hereof and as of the Closing Date.

Organization

. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware with full corporate power and authority to own or lease its properties and to conduct its business in the manner and in the places where such properties are owned or leased or such business is currently conducted, and is duly licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary, except where the failure to be so licensed or qualified has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Seller has conducted its business in accordance, in all material respects, with Seller's Certificate of Incorporation or By laws, as currently in effect as of the date hereof.

Authorization and Non-Contravention

. This Agreement and all agreements, documents and instruments, including and without limitation, the Transaction Documents, executed and delivered by Seller pursuant hereto, are valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors and subject to general principles of equity. The execution, delivery and performance of this Agreement and all agreements, documents and instruments executed and delivered by Seller pursuant hereto, have been duly authorized by all necessary corporate or other actions of Seller. No filing with or notice to, and no license, permit, authorization, registration, consent or approval of, any Governmental Authority is required on the part of Seller for the execution, delivery and performance by Seller of this Agreement and the Transaction Documents. Except as set forth in Schedule 2.2, the execution and delivery of this Agreement and all agreements, documents and instruments to be executed and delivered by Seller pursuant hereto and the performance of the transactions contemplated by this Agreement and such other agreements, documents and instruments, do not and will not: (i) violate or result in a violation of, conflict with or constitute or result in a violation of or default (whether after the giving of notice, lapse of time or both) or loss of benefit under any provision of Seller's Certificate of Incorporation or By-laws, or cause the creation of any mortgage, lien, pledge, security interest, charge, encumbrance, claim, easement, covenant, condition or restriction of any nature (each, a "**Claim**") upon any of the Purchased Assets; (ii) violate, conflict with or result in a violation of, or constitute a default (whether after the giving of notice, lapse of time or both) under, any Legal Requirement applicable to Seller or to which any of the Purchased Assets is subject; (iii) require from Buyer or Seller any pre-closing or post-closing notice of, declaration or filing with, or consent or approval of any Governmental Authority or other Third Party; or (iv) violate or result in a violation of, or conflict with or constitute or result in a violation of or default (whether after the giving of notice, lapse of time or both) under, accelerate any obligation under, or give rise to a right of termination of, any Approval or Contract related to the BOXR Platform or the ACTIA Platform or by which the Purchased Assets are bound or any permit, license or other authorization issued to Seller with respect to the BOXR Platform or the ACTIA Platform by any Governmental Authority (such permits, licenses and authorizations are collectively referred to herein as the "**Permits**").

Title to Properties; Liens; Condition of Properties

.

(a) Seller is the sole and exclusive owner of, and has good, marketable and valid title to all of the Purchased Assets, and the right to transfer (or cause to be transferred) all Purchased Assets, free and clear of all Claims, other than Permitted Encumbrances, to Buyer such that as of immediately following the Closing, Buyer will have good title to the Purchased Assets, free and clear of all Claims, other than Permitted Encumbrances. All of such Purchased Assets are free and clear of restrictions on or conditions to transfer or assignment, and free and clear of Claims, other than Permitted Encumbrances or to the extent described on Schedule 2.3(a) attached hereto. All of the tangible Purchased Assets are in good operating condition (ordinary wear and tear excepted).

(b) Seller owns no real property or interests in real property and has no leasehold interest in real property relating to the BOXR Platform or the ACTIA Platform

other than the Lease. Seller is not and, to the Knowledge of Seller, no other party to the Lease is, in default, under any provision of the Lease. Seller has not received any written notice of default and Seller is not in arrears in the performance of any monetary obligation required of it under such Lease. The Lease is in full force and effect in accordance with the terms thereof and has not been modified, altered or amended. Seller has not received any written notice of termination of the Lease. Seller has delivered to Buyer true, complete and accurate copies of the Lease. With respect to the Lease, Seller has good and valid title to the leasehold estate relating thereto, free and clear of all liens or encumbrances.

Sufficiency of Assets

. The Purchased Assets and the Joint Intellectual Property Assets constitute all of the assets used by Seller in operating the BOXR Platform or the ACTIA Platform as currently operated by Seller. The Purchased Assets are sufficient to enable Buyer and its Affiliates to operate the BOXR Platform and the ACTIA Platform after the Closing in substantially the same manner as operated by Seller during the [***] period immediately prior to the Closing. None of the Excluded Assets are material to the BOXR Platform or the ACTIA Platform.

Intellectual Property

.

(a) Schedule 2.5(a) contains a complete and accurate list of all (i) Patents owned or exclusively in-licensed by Seller and used or held for use in the operation of the BOXR Platform or the ACTIA Platform ("**Seller Patents**"), registered and unregistered Marks owned by Seller and used or held for use exclusively in the operation of the BOXR Platform or the ACTIA Platform ("**Seller Marks**") and registered Copyrights owned by Seller and used or held for use exclusively in the operation of the BOXR Platform or the ACTIA Platform ("**Seller Copyrights**"), (ii) licenses, sublicenses or other agreements under which Seller is granted rights by others in any Intellectual Property Assets exclusively for use in the BOXR Platform or the ACTIA Platform (other than (A) any non-customized software that (1) is so licensed solely in executable or object code form pursuant to a nonexclusive, internal use software license and other Intellectual Property Assets associated with such software and (2) is not incorporated into, or material to the development, manufacturing, or distribution of, any of the Programs or the BOXR Platform or the ACTIA Platform, (B) any Intellectual Property Assets licensed on a nonexclusive basis ancillary to the purchase or use of equipment, reagents or other materials, (C) any confidential information provided under confidentiality agreements and (D) agreements between Seller and its employees in Seller's standard form thereof), and (iii) licenses, sublicenses or other agreements under which Seller has granted rights to others in Seller Intellectual Property Assets (other than (x) any confidential information provided under confidentiality agreements and (y) any Seller Intellectual Property Assets nonexclusively licensed to academic collaborators, suppliers or service providers for the sole purpose of enabling such academic collaborator, supplier or service providers to provide services for Seller's benefit).

(b) Except as set forth on Schedule 2.5(b):

(i) Seller exclusively owns all Seller Intellectual Property Assets, or is an exclusive licensee of, and possesses adequate and enforceable rights

to such Intellectual Property Assets as necessary for the operation of the BOXR Platform or the ACTIA Platform, free and clear of all Claims (other than Permitted Encumbrances) and there are no actual or, to the Knowledge of Seller, threatened ownership disputes relating to Seller Intellectual Property Assets;

(ii) all Seller Patents, Seller Marks and Seller Copyrights that have been issued by, or registered, or are the subject of an application filed with, as applicable, the U.S. Patent and Trademark Office, the U.S. Copyright Office or any similar office or agency anywhere in the world are currently in compliance with formal legal requirements (including, as applicable, the payment of filing, examination and maintenance fees, inventor declarations, proofs of working or use, timely post-registration filing of affidavits of use and incontestability and renewal applications);

(iii) none of the Seller Patents owned by Seller have been abandoned, and none of the Seller Patents owned by Seller have expired, lapsed, been declared invalid (in whole or in part), or been declared unenforceable by any Governmental Authority;

(iv) none of the Seller Intellectual Property Assets that has been issued by, or registered or the subject of an application filed with, as applicable, the U.S. Patent and Trademark Office, the U.S. Copyright Office or in any similar office or agency anywhere in the world is subject to any maintenance fee or Tax or action falling due within [***] following the Closing Date and any and all annuities, maintenance fees, search fees and examination fees accrued prior to the date hereof have been paid;

(v) no Seller Patent is now involved in any threatened or actual action, suit, proceeding or claim, including any interference, reissue, reexamination or opposition Proceeding, and Seller has no Knowledge of any facts which would form a reasonable basis for any such action, suit, proceeding or claim;

(vi) Seller has not received any oral or written notice asserting that the operation of the BOXR Platform or the ACTIA Platform as currently conducted or the development, manufacture, or commercialization of Products as currently conducted infringes, misappropriates or otherwise violates, the rights of any other person or entity in or to any Intellectual Property Assets ("**Third Party IP Assets**") or constitutes a misappropriation of any Third Party IP Assets, and Seller has no Knowledge of any facts or prior art which would form a reasonable basis for any such infringement, misappropriation, or violation, or that any of the Seller Intellectual Property Assets is invalid or unenforceable, and Seller has no Knowledge of any facts or prior art which would form a reasonable basis for any such invalidity or unenforceability;

(vii) to the Knowledge of Seller, Seller's operation of the BOXR Platform or the ACTIA Platform, as currently conducted, and the development, manufacture, or commercialization of Products does not infringe or misappropriate

any Third Party IP Asset and Buyer's development and commercialization of BOXR1030 as currently contemplated will not infringe any Third Party IP Asset after [***];

(viii) to the Knowledge of Seller, each Person who is or was an employee or contractor of Seller and who is or was involved in the creation or development of any Seller Intellectual Property Assets has signed a valid, enforceable agreement containing a present assignment of such Seller Intellectual Property Asset to Seller and confidentiality provisions protecting Trade Secrets and confidential information of Seller;

(ix) Seller has performed appropriate inventorship determination for all Seller Patents and to the Knowledge of Seller, there is no unsolved inventorship dispute or alleged co-inventorship with respect to the Seller Patents;

(x) Seller has not itself or through a strawman filed any pre- or post-grant proceedings, including third party observations, oppositions, reexaminations and interferences, against intellectual property rights owned by a Third Party;

(xi) to the Knowledge of Seller, there is no, nor has there been any, infringement or violation by any person or entity of any of the Seller Intellectual Property Assets or Seller's rights therein or thereto, nor has there been any misappropriation by any person or entity of any of the Seller Intellectual Property Assets;

(xii) Seller is not now and never was a member or promoter of, or a contributor to, any industry standards body or similar organization that could require or obligate Seller to grant or offer to any other Person any license or right to any Seller Intellectual Property Assets;

(xiii) No funding, facilities, or personnel of any Governmental Authority or any university, college, research institute, or other educational institution has been or is being used, directly or indirectly, to create, in whole or in part, Seller Intellectual Property Assets, except for any such funding or use of facilities or personnel that does not result in such Governmental Authority or institution obtaining ownership rights or any other similar right, title or interest (including any "march in" rights) in or to such Seller Intellectual Property Assets (including any claim or option to any of the foregoing);

(xiv) The Seller Intellectual Property Assets and the Joint Intellectual Property Assets constitute all of the Intellectual Property Assets owned or controlled by Seller or its Affiliates that were used or generated in the conduct of the Programs prior to the Closing Date;

(xv) To the Knowledge of Seller, the know-how, Trade Secrets and confidential information included within the Purchased Assets constitute all know-how, Trade Secrets and confidential information necessary for Seller to

operate the BOXR Platform and the ACTIA Platform; provided, however, that the foregoing representation is not a representation with respect to non-infringement of Intellectual Property Assets; and

(xvi) Seller has taken all reasonable steps to maintain the confidentiality of and otherwise protect and enforce its rights in all proprietary information included in the Seller Intellectual Property Assets.

Acquired Contracts

. Each of the Acquired Contracts is valid, binding, enforceable and in full force and effect, and none of Seller, or, to the Knowledge of Seller, any other Person party to such contract is in default or breach (with or without the lapse of time or the giving of notice, or both) under any such contract, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, moratorium, sponsorship or other Legal Requirement relating to or affecting creditors' rights generally and to general principles of equity, whether considered at law or in equity. No event or circumstance has occurred that, with notice or lapse of time or both, would result in a termination of an Acquired Contract or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder. During the [***] prior to the date hereof, Seller has not received written notice of any default, non-renewal, termination or intention to terminate under any Acquired Contract. Complete and correct copies of each Acquired Contract (including all modifications, amendments and supplements thereto and waivers thereunder) have been made available to Buyer. There are no material disputes pending or threatened under any Acquired Contract.

Litigation

.

(a) There is no, and since [***] there has not been, litigation or governmental Proceeding or investigation pending or, to the Knowledge of Seller, threatened, by or against Seller or the BOXR Platform or the ACTIA Platform or affecting any of the Purchased Assets or Assumed Liabilities, nor, to the Knowledge of Seller, has there occurred any event on the basis of which any such litigation, Proceeding or investigation might properly be instituted. None of Seller nor any officer or key employee of Seller in his or her capacity as such is, to the Knowledge of Seller, a party to or in default with respect to any Order, writ, injunction, decree, ruling or decision of any court, commission, board or other Governmental Authority.

(b) To the Knowledge of Seller, there are no facts or circumstances that would reasonably be expected to give rise to any Proceeding or Order that would be required to be disclosed pursuant to clause (a) above.

Permits; Compliance with Legal Requirements

.

(a) The Permits listed on Schedule 2.8 comprise all of the licenses, permits, and other authorizations required from any Governmental Authority for the lawful conduct of the BOXR Platform or the ACTIA Platform. The Permits are in full force and effect, and the conduct of the BOXR Platform or the ACTIA Platform is in accordance therewith, except where the failure to be so licensed has not had and would not be reasonably likely to have a Material Adverse Effect. Seller is now and since [***] has been

in compliance with all applicable Legal Requirements applicable to the BOXR Platform or the ACTIA Platform, except where the failure to be in compliance has not had and would not be reasonably likely to have a Material Adverse Effect.

(b) Each of the Purchased Assets has been developed in compliance with all applicable Legal Requirements, including but not limited to, the Animal Welfare Act (7 U.S.C. 2131 et seq), the Controlled Substances Act (21 U.S.C. 801 et seq.), the Public Health Services Act (42 U.S.C. 201 et seq.), the Food, Drug and Cosmetic Act (21 U.S.C. 301 et. Seq) and the Food and Drug Administration's (the "**FDA**") Good Laboratory Practice regulations and the FDA's current Good Manufacturing Practice regulations and guidance.

Employee Plans; ERISA

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(a) Each material Employee Plan maintained, sponsored or contributed to by Seller, or to which Seller is a party, for the benefit of employees of Seller (a "**Seller Employee Plan**") has been established, maintained, and operated in compliance in all material respects with its terms and all applicable law, including the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") and the Code. Neither Seller nor any ERISA Affiliate maintains, sponsors or is required to contribute to, or has within the past [***] maintained, contributed to or been required to contribute to, (i) any employee benefit plan which is subject to Title IV of ERISA or Section 412 of the Code, (ii) any "multiemployer plan" as defined in Section 3(37) of ERISA, (iii) any "multiple employer plan" (within the meaning of Section 210 of ERISA or Section 413(c) of the Code) or (iv) any "multiple employer welfare arrangement" (as such term is defined in Section 3(40) of ERISA).

(b) Each Seller Employee Plan that is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS or may rely on an opinion letter issued by the IRS with respect to a prototype plan adopted in accordance with the requirements for such reliance, and, to the Knowledge of Seller, nothing has occurred which would reasonably be expected to adversely affect the qualified status of any such Seller Employee Plan.

(c) None of the Seller Employee Plans provides for medical or other welfare benefits to any employees after their employment is terminated, other than (i) as required by Part 6 of Subtitle B of Title I of ERISA or an analogous state law requirement, or (ii) continuation coverage through the end of the month in which such termination occurs.

(d) None of the execution or delivery of this Agreement, stockholder approval of this Agreement or the consummation of the transactions contemplated by this Agreement, either alone or in connection with any event, could (i) result in any payment or benefit (or acceleration thereof) to employees of the Seller or (ii) result in any payment or benefit to an employee of Seller being non-deductible under Section 280G of the Code.

(e) For purposes of this Section 2.9:

(i) "**Employee Plan**" means (A) an "employee benefit plan" within the meaning of Section 3(3) of ERISA whether or not subject to ERISA; (B) other plan, program, policy, agreement or arrangement providing for stock options, stock purchases, equity-based compensation, bonuses (including any annual bonuses and retention bonuses) or other incentives, severance pay, deferred compensation, employment, compensation, change in control or transaction bonuses, supplemental, vacation, retirement benefits (including post-retirement health and welfare benefits), pension benefits, profit-sharing benefits, fringe benefits, life insurance benefits, perquisites, health benefits, medical benefits, dental benefits, vision benefits, and all other employee benefit plans, agreements, and arrangements, not described in (A) above; and (C) all other plans, programs, policies, agreements or arrangements providing compensation to employees, consultants and non-employee directors.

(ii) "**ERISA Affiliate**" means, with respect to any Entity, any other Person that would be treated as a single employer with such Entity or part of the same "controlled group" as such Entity under Sections 414(b),(c),(m) or (o) of the Code.

Environmental Matters

. Seller is, and since [***] has been, in compliance with all applicable environmental, health and safety laws, rules, ordinances, bylaws and regulations, and with all permits, registrations and approvals required under such laws, rules, ordinances, bylaws and regulations (collectively, "**Environmental Laws**") relating to the BOXR Platform or the ACTIA Platform, except where the failure to be in compliance has not had and would not be reasonably likely to have a Material Adverse Effect. Seller has not received from any governmental authority any written notice of any failure to comply with or any violation of Environmental Laws, or of any required or requested action, or any threatened liability, relating to Environmental Laws. No hazardous waste, substance or material, and no oil, petroleum, petroleum product, asbestos, asbestos-containing material, toxic substance, pollutant or contaminant (collectively, "**Hazardous Material**") has been released or is present at, in, on, or under any real property owned, leased or operated by Seller in an amount, manner, condition or concentration that requires any reporting, notification, investigation, remediation, abatement or other response action pursuant to any Environmental Laws. The operations of the BOXR Platform and the ACTIA Platform have not resulted in any release of Hazardous Material at, in, on or under (i) any real property now or formerly owned, leased or operated by Seller or (ii) any property to which Seller has transported or disposed of, or allowed or arranged for any Third Party to transport or dispose of, wastes. Seller is not aware of any fact or circumstance which could involve the BOXR Platform or the ACTIA Platform in any litigation, or impose upon Seller any Liability, arising under any Environmental Laws. Seller has obtained and is in material compliance with all permits required to operate the BOXR Platform and the ACTIA Platform at 200 CambridgePark Drive, Cambridge, MA 02142.

Employees and Consultants; Labor Matters

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(a) Seller is not a party to any collective bargaining or other similar agreements with respect to the employees, consultants, independent contractors and other personnel service providers of Seller engaged in the BOXR Platform or the ACTIA

Platform (collectively, the "**Seller Associates**"), and no Seller Associate is a member of a union or other collective bargaining organization with respect to his or her employment or engagement with Seller. No labor union or other collective bargaining unit represents or claims to represent any of the Seller Associates and there is no union campaign being conducted to solicit cards from employees to authorize a union to request a National Labor Relations Board certifications election with respect to the Seller Associates. Seller has never experienced any union organization attempts, labor disputes, strikes, or work stoppage or slowdown, and to Seller's Knowledge, no such action is pending or threatened.

(b) (i) All Seller Associates who are employees are employed on an "at-will" basis and their employment can be terminated at any time for any reason without notice or payment of severance or other compensation or consideration being owed to such individual other than amounts owed as of the date of termination from employment based on service before that date or as required under applicable Legal Requirements; (ii) the relationships with each Seller Associate who is a consultant, independent contractor, or other non-employee can be terminated at any time for any reason without notice or any amounts being owed to such individual other than with respect to compensation or payments accrued before the termination; and (iii) Seller is not delinquent in payments to any Seller Associate for any wages, salaries, commissions, bonuses, consulting fee, or other compensation for any services performed for Seller as of the date hereof or any amounts required to be reimbursed to such Person.

(c) Seller is, and at all times has been, in material compliance, with all applicable Legal Requirements pertaining to labor, employment, and employment practices, including, but not limited to, Legal Requirements respecting labor relations, discrimination in employment, fair employment practices, terms and conditions of employment, worker classification (including the proper classification of workers as independent contractors and consultants), wages, hours (including the proper classification of workers as exempt and nonexempt), withholding, immigration, and occupational safety and health and employment practices, including the requirements of the Immigration Reform Control Act of 1986. There are no, and during the [***] prior to the date hereof, have not been any, actions, suits, claims, charges, complaints, grievances, arbitrations, investigations, or other legal Proceedings, whether internal or external, against Seller involving or pertaining to any applicant for employment or current or former Seller Associate, including, without limitation, any Proceeding relating to unfair labor practices, employment discrimination, harassment, retaliation, equal pay, wage or hours violations, unpaid wages, unpaid commissions, wrongful termination or any other employment related matter arising under applicable Legal Requirements, nor are any such Proceedings pending, or to Seller's Knowledge, threatened to be brought or filed, by or with any Governmental Authority or arbitrator in any forum. All Seller Associates who are employees have been correctly classified as exempt or non-exempt for purposes of the Fair Labor Standards Act ("**FLSA**") and any similar state law, and overtime has been properly recorded and paid for all such employees classified as non-exempt. Each Seller Associate who is a consultant, independent contractor, or other non-employee has been correctly classified as such pursuant to applicable Legal Requirements.

(d) Seller has never implemented any “plant closing,” “mass layoff,” or other similar action that did, or would reasonably have been expected to, require notification under the federal Worker Adjustment Retraining and Notification Act of 1988 or other similar state law, and no such actions that will, or may reasonably be expected to, require such notification are planned or contemplated. There has been no “employment loss” as defined by the WARN Act within the [***] prior to the Closing Date.

CFIUS

. Seller represents and warrants that it does not engage in the design, fabrication, development, testing, production or manufacture of critical technologies and is not a TID US Business within the meaning of the Defense Production Act of 1950, as amended, including all implementing regulations thereof.

No Brokers or Finders

. No person has or will have, as a result of the transactions contemplated by this Agreement or the Transaction Documents, any right, interest or claim against or upon Seller or Buyer for any commission, fee or other compensation as a finder or broker because of any act or omission by Seller or its Affiliates.

Condition of Assets

. Each tangible asset (whether owned or leased) included in the Purchased Assets has no material defects, is in good operating condition and repair (ordinary wear and tear excepted) for comparable assets in the industry, and is adequate and suitable in all material respects for its use in connection with the operation of the BOXR Platform or the ACTIA Platform.

Relationships with Affiliates

. Except as set forth on Schedule 2.15, (a) the Purchased Assets do not include any Contracts to which Seller on the one hand and any of its Affiliates on the other hand, are party, and (b) neither Seller nor any Affiliate thereof possesses, directly or indirectly, any material financial interest in any Person which is a supplier, distributor, customer, licensor, licensee, lessor, lessee, or competitor of Seller with respect to the BOXR Platform or the ACTIA Platform.

Suppliers

. Schedule 2.16 sets forth the ten (10) largest suppliers of the BOXR Platform and the ACTIA Platform, determined by purchases for the [***] (“**Top Suppliers**”). Seller has not received any written notice since [***] that any Top Supplier has (i) has terminated, or may terminate its relationship with Sellers with respect to the BOXR Platform or the ACTIA Platform or (ii) has materially and adversely changed the pricing of its goods or services used by Seller in the BOXR Platform or the ACTIA Platform.

Tax Matters

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(a) To the extent relating to the Purchased Assets or the BOXR Platform or the ACTIA Platform, Seller (i) has duly and timely filed (or has caused to be duly and timely filed) all income and other material Tax Returns required to be filed, and all such Tax Returns are true, complete and correct in all material respects and (ii) has timely paid or caused to be timely paid all material Taxes required to be paid (whether or not shown as due on any Tax Return).

(b) Seller has not received any written notice from any governmental body indicating any pending or proposed audit, claim, deficiency or assessment with respect to Taxes relating to the Purchased Assets or the BOXR Platform or the ACTIA

Platform, and no unresolved deficiencies or additions to such Taxes have been proposed, asserted, or assessed in writing against Seller.

(c) There are no liens or other encumbrances for Taxes upon any of the Purchased Assets, except for Permitted Encumbrances.

(d) There are no Taxes of Seller or any of its Affiliates for which Buyer or any of its Affiliates could become liable as a result of the transactions contemplated by this Agreement.

(e) To the extent relating to the Purchased Assets or the BOXR Platform or the ACTIA Platform, Seller has complied in all material respects with all applicable laws relating to the collection or withholding of material Taxes (including sales Taxes or withholding of Taxes from the wages of employees) and has duly and timely withheld and paid over to the appropriate governmental body all material amounts required to be withheld and paid over under all applicable Tax laws.

(f) To the extent relating to the Purchased Assets or the BOXR Platform or the ACTIA Platform, Seller will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any period (or any portion thereof) ending after the Closing Date as a result of any prepaid amount or deferred revenue received on or prior to the Closing.

No Material Adverse Effect

. There has been no Material Adverse Effect on the BOXR Platform or the ACTIA Platform since [***].

No Other Representations or Warranties

. Seller hereby acknowledges and agrees that, except for the representations and warranties contained in this Agreement, neither Buyer nor any other person on behalf of Buyer makes any express or implied representation or warranty with respect to Buyer or with respect to any other information provided to Seller or any of its Affiliates in connection with the transactions contemplated hereby, and (subject to the express representations and warranties of Buyer set forth in Section 3) neither Seller nor any of its Representatives, stockholders or members, has relied on any such information (including the accuracy or completeness thereof).

Section 3 - Representations and Warranties of Buyer

Buyer represents and warrants that the statements contained in this Section 3 true and correct as of the date hereof.

Organization

. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware with full power to own or lease its properties and to conduct its business in the manner and in the places where such properties are owned or leased or such business is conducted by it.

Authorization and Non-Contravention

. This Agreement and all agreements, documents and instruments, including and without limitation, the Transaction Documents, executed and delivered by Buyer pursuant hereto are valid and binding obligations of Buyer

enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors and subject to general principles of equity. Buyer has full right, authority, power and capacity to enter into this Agreement and all agreements, documents and instruments executed and delivered by Buyer pursuant hereto and to carry out the transactions contemplated hereby and thereby. The execution and delivery by Buyer of this Agreement and all agreements, documents and instruments executed and delivered by Buyer pursuant hereto and the performance of the transactions contemplated by this Agreement and such other agreements, documents and instruments do not and will not: (i) violate or result in a violation of, conflict with or constitute or result in a violation of or default (whether after the giving of notice, lapse of time or both) or loss of benefit under any provision of the Buyer's organizational documents, or cause the creation of any Claim upon any of the assets of Buyer; (ii) violate, conflict with or result in a violation of, or constitute a default (whether after the giving of notice, lapse of time or both) under, any Legal Requirement applicable to Buyer; (iii) require from Buyer or Seller any pre-closing or post-closing notice to, declaration or filing with, or consent or approval of any Governmental Authority or other Third Party; or (iv) violate or result in a violation of, or conflict with or constitute or result in a violation of or default (whether after the giving of notice, lapse of time or both) under, accelerate any obligation under, or give rise to a right of termination of, any Approval or material contract or agreement with any Third Party to which Buyer is a party or by which Buyer or its assets are bound or any permit, license, authorization or other obligation issued to Buyer by any Governmental Authority, in each case, other than such violations or conflicts that would not have a material adverse effect on Buyer or its ability to consummate the transactions contemplated by this Agreement.

No Brokers or Finders

. No person has or will have, as a result of the transactions contemplated by this Agreement or the Transaction Documents, any right, interest or claim against or upon Seller or Buyer for any commission, fee or other compensation as a finder or broker because of any act or omission by Buyer.

Required Financing

. Buyer currently has available to it, and will have at the Closing, sufficient unrestricted funds to pay the Closing Purchase Price in full, subject to the terms and conditions of this Agreement.

No Other Representations or Warranties

. Buyer hereby acknowledges and agrees that, except for the representations and warranties contained in this Agreement, neither Seller nor any other person on behalf of Seller makes any express or implied representation or warranty with respect to Seller or with respect to any other information provided to Buyer or any of its Affiliates in connection with the transactions contemplated hereby, and (subject to the express representations and warranties of Seller set forth in Section 2 (in each case as qualified and limited by the Disclosure Schedule)) neither Buyer nor any of its Representatives, stockholders or members, has relied on any such information (including the accuracy or completeness thereof).

Section 4 - Closing Conditions

Conditions to the Obligations of Buyer

. The obligations of Buyer to purchase the Purchased Assets from Seller and to assume the Assumed Liabilities are subject to the fulfillment

of the following conditions by Seller on or before the Closing (any or all of which may be waived in whole or in part by Buyer):

(a) Representations and Warranties. The representations and warranties of Seller contained in this Agreement (other than the Fundamental Representations) shall be true and correct in all material respects, on and as of the Closing Date, with the same effect as if made on and as of the Closing Date (other than such representations and warranties that are made as of a specified date, which representations and warranties shall be true and correct in all material respects as of such date). Each of the Fundamental Representations shall be true and correct in all respects (other than de minimis inaccuracies) on and as of the Closing Date, with the same effect as if made on and as of the Closing Date (other than such representations and warranties that are made as of a specified date, which representations and warranties shall be true and correct as of such date).

(b) Performance. Seller shall have performed and complied in all material respects with all covenants, conditions and agreements required by this Agreement and each of the other Transaction Documents that are required to be performed or complied with by Seller on or before the Closing.

(c) Material Adverse Effect. Since the date hereof, there shall not have occurred a Material Adverse Effect.

(d) Approvals; Third Party Consents. The approvals, consents and/or waivers set forth on Schedule 4.1(d) shall have been received by Seller (and a copy thereof has been delivered to Buyer).

(e) Key Employees. Each Key Employee shall have executed an employment agreement and other customary new hire documents with Buyer or an Affiliate of Buyer (the "**Key Employee Agreements**"), in each case effective on the Closing Date, and no such Key Employee shall have expressed an intention (whether formally or informally) in terminating their employment with the Buyer or Affiliate of Buyer following the Closing.

(f) [***].

(g) Closing Deliverables. At the Closing, Seller shall have delivered, or shall have caused to be delivered, to Buyer, all in form and substance reasonably satisfactory to Buyer, the following:

(i) The General Assignment, Assumption and Bill of Sale substantially in the form attached here at Exhibit A (the "**Bill of Sale**"), duly executed by Seller;

(ii) A sublease agreement for the Lease, in substantially the form attached hereto as Exhibit B (the "**Sublease**"), duly executed by Seller;

(iii) A Patent Assignment, in substantially the form attached hereto as Exhibit C (the "**Patent Assignment**"), duly executed by Seller;

(iv) An Escrow Agreement, in substantially the form attached hereto as Exhibit D (the "**Escrow Agreement**"), duly executed by Seller;

(v) A Restrictive Covenants Agreement, in substantially the form attached hereto as Exhibit E (the "**Restrictive Covenants Agreement**"), duly executed by Seller;

(vi) A Transition Services Agreement, in substantially the form attached hereto as Exhibit F (the "**Transition Services Agreement**"), duly executed by Seller;

(vii) A Cross-Covenant Not to Sue, in substantially the form attached hereto as Exhibit G (the "**Cross-Covenant**"), duly executed by Seller;

(viii) An Intellectual Property Assignment, in substantially the form attached hereto as Exhibit H (the "**Intellectual Property Assignment**"), duly executed by Seller;

(ix) With respect to Seller, a certificate pursuant to Treasury Regulations Section 1.1445-2(b), duly executed by Seller;

(x) Each Key Employee Agreement;

(xi) A certificate duly executed by the Chief Executive Officer of Seller certifying that:

(A) the conditions specified in Section 4.1(a), Section 4.1(b) and Section 4.1(c) have been fulfilled; and

(B) all documents to be executed by Seller and delivered at Closing have been executed by a duly authorized officer of Seller.

(h) No Litigation. No action or Proceeding by or before any court, administrative body or Governmental Authority shall have been instituted or threatened (i) against Seller with respect to the Purchased Assets, or (ii) which seeks to enjoin, restrain or prohibit, or might result in damages in respect of, this Agreement or the other Transaction Documents, or consummation of the transactions contemplated by this Agreement and the other Transaction Documents. No law or regulation shall be in effect and no Order shall have been entered in any action or Proceeding instituted by any party which enjoins, restrains or prohibits this Agreement or the complete consummation of the transactions contemplated in this Agreement.

(i) No Violation or Injunction. The consummation of the transactions contemplated by this Agreement shall not be in violation of any law or regulation, and shall not be subject to any injunction, stay or restraining Order.

Conditions to the Obligations of Seller

. Seller's obligations to sell, assign, convey, and deliver the Purchased Assets, or to cause the Purchased Assets to be sold, assigned, conveyed or delivered, as applicable, to Buyer are subject to the fulfillment of the following conditions by Buyer on or before the Closing (any or all of which may be waived in whole or in part by Seller):

(a) Representations and Warranties. The representations and warranties of Buyer contained in this Agreement shall be true and correct in all respects (without giving effect to any materiality, "material adverse effect" or similar qualifications contained therein), on and as of the Closing Date, with the same effect as if made on and as of the Closing Date (other than such representations and warranties that are made as of a specified date, which representations and warranties shall be true and correct as of such date), except in each case where any failure to be so true and correct would not prevent or delay Buyer's ability to consummate the transactions contemplated hereby.

(b) Performance. Buyer shall have performed and complied in all material respects with all covenants, conditions and agreements required by this Agreement and each of the other Transaction Documents to be performed or complied with by Buyer on or before the Closing.

(c) Closing Deliverables. At the Closing, Buyer shall deliver, or shall have caused to be delivered, to Seller or the Escrow Agent, as applicable, the following:

(i) The Bill of Sale, duly executed by Buyer;

(ii) The Sublease, duly executed by Buyer;

(iii) The Patent Assignment, duly executed by Buyer;

(iv) The Escrow Agreement, duly executed by Buyer and the Escrow Agent;

(v) The Restrictive Covenants Agreement, duly executed by Buyer;

(vi) The Transition Services Agreement, duly executed by Buyer;

(vii) The Cross-Covenant, duly executed by Buyer;

(viii) The Intellectual Property Assignment, duly executed by Buyer;

(ix) A certificate duly executed by a duly authorized officer of Buyer certifying that:

(A) the conditions specified in Section 4.2(a) and Section 4.2(b) have been fulfilled; and

(B) all documents to be executed by the Buyer and delivered at Closing have been executed by a duly authorized officer of Buyer.

(x) The Closing Purchase Price, paid to Seller as described in Section 1.7; and

(xi) The Escrow Amount, deposited with the Escrow Agent as described in Section 1.7.

Section 5 – Covenants

The parties hereto covenant and agree as follows:

[Reserved]

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Employee and Related Matters

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Prior to the Closing, Buyer or an Affiliate of Buyer shall offer at will employment with Buyer or an Affiliate of Buyer to each individual listed on Schedule 5.2 (each, an "**Offered Employee**"), subject to Buyer's or the Affiliate's normal hiring procedures and background checks. Such "at will" employment arrangements (each, an "**Offer Letter**") will be contingent on the Closing and shall supersede any prior employment agreements and other arrangements in effect with respect to such employee and Seller or an Affiliate of Seller or with Buyer or an Affiliate of Buyer prior to the Closing Date (other than any proprietary rights, confidentiality, noncompetition and assignment of inventions agreements). Each Offer Letter shall provide for an initial base salary and cash incentive compensation opportunities (excluding, for the avoidance of doubt, equity incentives) as were provided to such employee pursuant to any written Seller Employee Plan immediately prior to the Closing Date and health and welfare benefits that are no less favorable than those provided to similarly-situated employees of the Buyer. Each of the Offered Employees who executes and delivers his or her acceptance of an Offer Letter within the deadline set forth in the Offer Letter and becomes an employee of Buyer or an Affiliate of Buyer, in addition to each of the Key Employees, shall be referred to herein as a "**Continuing Employee**." Seller hereby consents to the hiring and engagement by Buyer or its Affiliates of the Continuing Employees and any former Seller employees, and agrees not to assert against Buyer, any Continuing Employee or any former Seller employee any noncompetition, nonsolicitation, nondisclosure, or other restrictive covenant restrictions in connection with the hiring and engagement by Buyer or its Affiliates of the Continuing Employees and former Seller employees and operation of the Purchased Assets; provided, however, Seller does not waive any right to assert confidentiality obligations against Continuing Employees or former Seller employees with respect to any Excluded Assets.

(b) Immediately prior to the Closing, Seller shall: (i) terminate the employment of each Continuing Employee, provided that such termination shall not cause, result in, or be deemed to be a termination of such Continuing Employee's employment with Seller for the purposes of any entitlement to severance or other termination pay or benefits or any individual target bonus, retention bonus or similar bonus associated with the ending of any such Continuing Employee's employment with Seller, and (ii) terminate

agreements with all Seller Associates who are independent contractors or consultants. Seller shall be solely responsible for, and Buyer shall have no obligations whatsoever for, any compensation or other amounts, including but not limited to hourly pay, commission, bonus, salary, fringe, sharing benefits or any severance, change of control, or other termination pay or benefits relating to the service of any current or former Seller Associate (including the Continuing Employees) to Seller or otherwise payable due to the ending of any employment, independent contractor or other relationship with any current or former Seller Associate (including the Continuing Employees) prior to, on, or in connection with the Closing. Buyer or any Affiliate of Buyer shall treat and use commercially reasonable efforts to cause the applicable benefit plans to treat the service of the Continuing Employees with Seller attributable to any period before the Closing as service rendered to Buyer or an Affiliate of Buyer following the Closing for purposes of eligibility and vesting under the Buyer's vacation program, health or welfare plan(s) and the Buyer's defined contribution plans, except where credit would result in duplication of benefits. Without limiting the foregoing, to the extent that any Continuing Employee participates in any health or other group welfare benefit plan of the Buyer or any Affiliate of Buyer following the Closing (a "**Buyer Welfare Plan**"), Buyer or its Affiliates shall use commercially reasonable efforts to cause any pre-existing conditions or limitations, eligibility waiting periods or required physical examinations under the Buyer Welfare Plan to be waived with respect to the Continuing Employee and his or her dependents to the extent waived under the corresponding plan of Seller in which the Continuing Employee participated immediately prior to Closing.

(c) Nothing contained in this Section 5.2, express or implied, (x) is intended to confer upon any Continuing Employee any right to continued employment for any period or continued receipt of any specific employee benefit, or shall constitute an amendment to or any other modification of any benefit plan, (y) shall alter or limit Seller's, Buyer's or any of their respective Affiliates' ability to amend, modify or terminate any particular benefit plan, program, agreement or arrangement or (z) is intended to, or will confer, upon any individual (including employees, retirees or dependents or beneficiaries of employees or retirees) any right as a third party beneficiary of this Agreement.

(d) Buyer and Seller agree to utilize, or cause their respective Affiliates to utilize, the standard procedure set forth in Revenue Procedure 2004-53, 2004-34 I.R.B. 320 (Aug. 18, 2004) for wage reporting with respect to any Continuing Employees.

Tax Matters

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(a) Seller and Buyer shall each be liable for and shall hold the other Party harmless against fifty percent (50%) of any transfer, documentary, recording, sales, use, value added, excise, stock transfer, stamp, recording, registration and any similar Taxes and fees, including any penalties and interest thereon, that become payable in connection with the transactions contemplated by this Agreement ("**Transfer Taxes**"). The Party that is required by applicable Legal Requirements to file any Tax Returns in connection with Transfer Taxes described in the immediately preceding sentence shall prepare and timely file such Tax Returns. Following the payment by Buyer or Seller of any such Transfer Taxes, Buyer or Seller, as applicable, shall notify the other Party of such

payment and such Party shall promptly reimburse Buyer or Seller, as applicable, for the amount of such Transfer Taxes required to be borne by such Party under this Section 5.3(a).

(b) Subject to Section 5.3(a), all real property Taxes, personal property Taxes and similar ad valorem obligations levied with respect to the Purchased Assets for a taxable period which includes (but does not end on) the Closing Date (collectively, the "**Apportioned Obligations**") shall be apportioned between Seller and Buyer as of the Closing Date based on the number of days of such taxable period ending on and including the Closing Date (the "**Pre-Closing Apportioned Period**") and the number of days of such taxable period beginning from the day after the Closing Date through the end of such taxable period (the "**Post-Closing Apportioned Period**"). Schedule 5.3(b) sets forth a complete and accurate list of any Apportioned Obligations known to Seller as of the Closing Date, including the amount of each such Apportioned Obligation. Seller shall be liable for the proportionate amount of Apportioned Obligations that is attributable to the Pre-Closing Apportioned Period. Buyer shall be liable for the proportionate amount of the Apportioned Obligations that is attributable to the Post-Closing Apportioned Period. Within [***] after the Closing, Seller and Buyer shall present a statement to the other setting forth the amount of reimbursement to which each is entitled under this Section 5.3(b) (which shall take into account, any Taxes previously overpaid by a party) together with such supporting evidence as is reasonably necessary to calculate such amount to be reimbursed. Such amount shall be paid by the Party owing it to the other Party within [***] after delivery of such statement. Thereafter, Buyer shall notify Seller upon receipt of any bill for real property Taxes, personal property Taxes or similar ad valorem obligations relating to the Purchased Assets, part or all of which are attributable to the Pre-Closing Apportioned Period, and shall promptly deliver such bill to Seller who shall pay the same to the appropriate Governmental Authority; provided that if such bill also relates to the Post-Closing Apportioned Period, Seller shall remit, prior to the due date of assessment, to Buyer payment only for the proportionate amount of such bill that is attributable to the Pre-Closing Apportioned Period. If either Seller or Buyer shall make a payment for which it is entitled to reimbursement under this Section 5.3(b) the party that is liable for such payment pursuant to this Section 5.3(b) shall make such reimbursement promptly but in no event later than [***] after the presentation of a statement setting forth the amount of reimbursement to which the presenting party is entitled along with such supporting evidence as is reasonably necessary to calculate the amount of reimbursement. Any Tax refunds, credits or overpayments attributable to real property Taxes, personal property Taxes and similar ad valorem obligations levied with respect to the Purchased Assets shall be apportioned between Buyer and Seller in accordance with the apportionment provided in this Section 5.3(b).

(c) The parties shall cooperate in good faith, as and to the extent reasonably requested by any other party, in connection with the filing of Tax Returns, and any audit, litigation or other Proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other Proceeding.

[Reserved]

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[Reserved]

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Section 6 – Additional Covenants

The parties hereto covenant and agree as follows:

Payments with Respect to Purchased Assets

. Seller shall promptly remit to Buyer, within [***] of receipt, all monies received by Seller or its Affiliates (to the extent related to the BOXR Platform or the ACTIA Platform) following the Closing Date in payment for any Purchased Assets acquired by Buyer pursuant to this Agreement. Payments remitted to Buyer pursuant to this Section 6.1 shall be in the form received by Seller or its Affiliates.

Confidentiality

. From and after the Closing, Seller and its Affiliates agree not to disclose to any Person other than representatives of Buyer and Seller's legal counsel, or use in any way, any information not generally known to the trade or public or of a confidential or proprietary nature relating to the BOXR Platform or the ACTIA Platform, the Purchased Assets, the Assumed Liabilities or Buyer, including any such information relating to any products, properties, methods, designs, know-how, inventions, improvements, Trade Secrets, suppliers, customers, or customers' requirements.

Press Releases and Public Announcements

. Buyer and Seller shall consult with each other before issuing, and give each other the opportunity to review and comment upon, any press release or other public statements with respect to the transactions contemplated by this Agreement, and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable Legal Requirements, court process or the rules and regulations of any national securities exchange or national securities quotation system.

Joint Intellectual Property Assets

. Effective as of the Closing Date, Buyer hereby agrees that it shall not, directly or indirectly, use, or permit any Affiliates or any Third Party to use, any Joint Intellectual Property Assets to research, develop, make, have made, use, sell, have sold, import and export products developed using the ACTR Platform. Effective as of the Closing Date, Seller hereby agrees that it shall not, directly or indirectly, use, or permit any Affiliates or any Third Party to use, any Joint Intellectual Property Assets to research, develop, make, have made, use, sell, have sold, import and export products developed using the BOXR Platform or ACTIA Platform.

Buyer Guarantor

.

(a)As consideration for the benefits that Buyer Guarantor will receive as a result of Seller executing this Agreement, and to induce Seller to enter into this Agreement, Buyer Guarantor hereby guarantees to Seller the due and punctual payment by Buyer when and as due of its payment obligations under, and in accordance with, Sections 1.7 and 1.9. Notwithstanding anything to the contrary herein, Buyer Guarantor's maximum aggregate liability under this Agreement shall not exceed [***].

(b)Buyer Guarantor represents and warrants to Seller that the guarantee by Buyer Guarantor hereunder constitutes the legal, valid and binding agreement of Buyer

Guarantor enforceable against it in accordance with the terms of this Section 6.5, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general equity principles. Buyer Guarantor further represents and warrants that it is the legal and beneficial owner of all of the outstanding equity of Buyer.

(c)The guarantee provided by this Section 6.5 is a guarantee of payment and not of collection. In the event of any proceeding involving this Section 6.5, the prevailing party shall be entitled to recover its reasonable out of pocket expenses, including reasonable attorneys' fees incurred in connection with such proceeding.

Enforcement of Certain Obligations

. From and after the Closing, upon the request of Buyer and at Buyer's expense, Seller shall (and shall cause its Affiliates to) enforce any and all rights of Seller, for the benefit of the Buyer, under any Contract that is not an Acquired Contract against any Third Party arising out of the breach of such Contract to which such Third Party is bound in respect of any of the Purchased Assets.

Access to Books and Records

. From the date of this Agreement until the Closing Date, Seller shall, and shall cause its Affiliates to, afford to representatives of Buyer reasonable access during normal business hours, upon reasonable advance notice, to the properties, books, records and personnel of Seller and their Subsidiaries to the extent related to the BOXR Platform or the ACTIA Platform; provided, however, that neither Sellers nor any of their Subsidiaries shall be required to violate any obligation of confidentiality to which Seller or any of its Subsidiaries may be subject in discharging its obligations pursuant to this Section 6.7.

Misallocated Assets

. If, following the Closing, any right, property or asset is found to be a Purchased Asset is found to have been retained by Seller or any of its Affiliates in error, either directly or indirectly (including in preparation for the separation of the BOXR Platform or the ACTIA Platform from Seller), (i) Seller shall transfer, or shall cause its applicable Affiliate to transfer, at no cost to Buyer, such right, property or asset as soon as reasonably practicable to Buyer and Buyer shall accept such Purchased Asset, and (ii) Buyer and Seller shall execute such documents or instruments of conveyance or assumption and take such further acts which are reasonably necessary or desirable to effect the transfer of such Purchased Asset. If, following the Closing, any Personal Property or Contracts are found to be exclusively related to the BOXR Platform or the ACTIA Platform but were not listed on Schedule 1.1(a) or Schedule 1.1(b), respectively, (i) Seller shall transfer, or shall cause its applicable Affiliate to transfer, at no cost to Buyer, such Personal Property and Contracts as soon as reasonably practicable to Buyer and Buyer shall accept such Personal Property and Contracts, and (ii) Buyer and Seller shall execute such documents or instruments of conveyance or assumption and take such further acts which are reasonably necessary or desirable to effect the transfer of such Personal Property and Contracts, and any such Contracts shall be Acquired Contracts for purposes of this Agreement as of the date of such transfer.

Delivery of Transferred Assets; Transfer of Emails

.

(a) Except as set forth on Schedule 6.9(a), (i) subject to clause (ii) of this Section 6.9(a), within [***] after the Closing, Seller shall, or shall cause its applicable

Affiliate to, deliver to Buyer the Purchased Assets, and (ii) within [***] of Buyer's request for delivery to Buyer, Seller shall, or shall cause its applicable Affiliate to, deliver to Buyer all electronic records and files constituting Purchased Assets, in each case, at Seller's expense and in accordance with Buyer's instructions and sound business practice. For clarity, Buyer shall have right to request Seller to confirm delivery of the Purchased Assets.

(b) Within [***] after the Closing, Seller shall, or shall cause its applicable Affiliate to, deliver to Buyer one copy of a USB or DVD-ROM or other electronic file containing a true, correct and complete copy of all email messages (both received and sent) of the employees of Seller (excluding employees in its human resources, finance and business development departments) that are related to the BOXR Platform and the ACTIA Platform and are either internal communications among such Seller employees or are communications between such Seller employees and the FDA or Third Parties that are parties to Assigned Contracts (excluding, in each case, communications related to human resources, finance and business development), and, following the Closing, Seller shall conduct from time to time within [***] of Buyer's request, at no cost to Buyer, a search of all email messages (both received and sent) of the employees of Seller (excluding employees in its human resources, finance and business development departments) using certain mutually agreed upon search parameters (including communications between such Seller employees and Third-Party vendors of Seller to the extent Buyer identifies such vendors and provides a legitimate business purpose for access to such communications) and will transfer to Buyer any such email messages that meet such parameters. In no event shall Seller be required to deliver copies of email messages which are subject to the confidentiality restrictions of Seller or Third Parties or which are subject to attorney-client privilege.

Preservation of Dataroom

. Seller shall deliver to Buyer one copy of a USB or DVD-ROM containing a true, correct and complete copy of the materials in the Donnelley Financial Solutions Venue electronic data room sponsored by Seller no more than [***] after the Closing Date.

Section 7 – Reserved

Section 8 - Indemnification

Indemnification by Seller

. From and after the Closing, Seller shall indemnify Buyer and its Affiliates and their respective directors, managers, officers, agents, Representatives, employees, successors and assigns (each, a "**Buyer Indemnified Party**"), against and hold them harmless from any Losses suffered, sustained or incurred by any such Buyer Indemnified Party to the extent resulting from or arising out of (a) any breach of or inaccuracy in any representation or warranty of Seller contained in this Agreement or in any other Transaction Document or in any certificate or instrument delivered pursuant hereto or thereto (other than the Fundamental Representations), (b) any breach of or inaccuracy in any Fundamental Representation, (c) any breach of any covenant of Seller contained in this Agreement or any other Transaction Document, or (d) any Excluded Liability.

Indemnification by Buyer

. From and after the Closing, Buyer shall indemnify Seller and its Affiliates and their respective directors, managers, officers, agents, Representatives employees, successors and assigns (each, a "**Seller Indemnified Party**"), against and hold them harmless from any Losses suffered, sustained or incurred by any such Seller Indemnified Party to the extent resulting from or arising out of (a) any breach of any representation or warranty of Buyer contained in this Agreement or in any other Transaction Document or in any certificate or instrument delivered pursuant hereto or thereto, (b) any breach of any covenant of Buyer contained in this Agreement or any other Transaction Document, or (c) any Assumed Liability.

Limitations on Liability

.

(a) The Buyer Indemnified Parties shall not be entitled to any indemnification until the aggregate dollar amount of all Losses that would otherwise be indemnifiable pursuant to Section 8.1(a) exceeds an amount equal to U.S. $[***] (the "**Deductible**"), and then only to the extent such aggregate amount exceeds the Deductible; provided, however, that the Deductible shall not apply to, and the Buyer Indemnified Parties shall be entitled to indemnification under this Agreement for any indemnifiable Loss resulting from, fraud or any breach of the Fundamental Representations.

(b) The aggregate maximum indemnifiable liability of Seller pursuant to Section 8.1(a) and the Buyer pursuant to Section 8.2(a) shall be limited to [***] (the "**Cap**"). Notwithstanding anything to the contrary herein, the Cap shall not apply to breaches of the Fundamental Representations or to any claim for fraud. Notwithstanding anything to the contrary herein, other than with respect to claims for (i) fraud, (ii) any Excluded Liability, (iii) claims for indemnifiable Losses made under Section 8.1(c) or Section 8.2(b) for breach of any covenant contained in the Excluded Agreements, or (iv) claims for indemnifiable Losses made under Section 8.1(c) or Section 8.2(b) for breach of Section 6.2 (Confidentiality) or Section 6.4 (Joint Intellectual Property Assets), the maximum liability of either Buyer or Seller under this Section 8 shall not exceed [***].

(c) The amount of any Losses subject to indemnification under Section 8.1 or Section 8.2 shall be calculated net of any insurance proceeds actually received by the Indemnified Party or any indemnification paid by any Third Party on account of such Losses (in each case, net of any costs and expenses, deductibles and increase in premiums incurred by an Indemnified Party in connection with enforcement and collection of such amounts).

(d) Notwithstanding anything contained in this Agreement or elsewhere to the contrary, "material" and "Material Adverse Effect" or similar materiality type qualifications in the representations and warranties set forth in this Agreement (including any definitions referenced therein) shall be disregarded and not given any effect for purposes of the indemnification provisions in this Section 8, including for purposes of determining whether or not a breach or inaccuracy of a representation or warranty has occurred and determining the amount of any Losses.

(e) Any Loss for which any Indemnified Party is entitled to indemnification under Section 8.1 or Section 8.2 shall be determined without duplication

of recovery by reason of the state of facts giving rise to such Loss constituting a breach of more than one representation, warranty or covenant or under any indemnity hereunder.

(f) Notwithstanding any provision herein, neither Seller nor Buyer, nor any of their respective Affiliates, shall in any event be liable for any punitive damages in connection with any damages arising hereunder, except on account of any indemnity obligation set forth in Section 8.1 or 8.2 to the extent punitive damages are actually awarded to a Third Party in connection with a Third Party claim.

(g) The Parties acknowledge and agree that, should the Closing occur, each Party's sole and exclusive monetary remedy with respect to claims arising hereunder or under any Transaction Document (other than claims of, or causes of action arising from, fraud, the Excluded Agreements, or (iv) breach of Section 6.2 (Confidentiality) or Section 6.4 (Joint Intellectual Property Assets)) shall be pursuant to the indemnification provisions set forth in this Section 8. Notwithstanding anything to the contrary herein, the existence of this Section 8 and of the rights and restrictions set forth herein do not limit any legal remedy against a Party based on fraud, for breaches of any covenants to be performed at or following the Closing, or under Section 10.10.

Survival

. The representations and warranties made by any Party in this Agreement or the other Transaction Documents shall survive (and not be affected in any respect by) the Closing until the date that is [***] following the Closing; provided that the Fundamental Representations and the representations and warranties set forth in Section 2.17 (Tax Matters) shall survive the Closing until the date that is [***] after the latest expiring applicable statute of limitations (including any waivers or extensions thereof) to which the underlying matter relates; provided, however, that any claim made in compliance with this Section 8 within the time periods set forth in this Section 8.4 shall survive until such claim is finally and fully resolved. The covenants and agreements contained in this Agreement shall survive the Closing in accordance with their respective terms, and the period during which a claim for indemnification may be asserted in connection therewith shall survive the Closing until [***] following the latest expiring statute of limitations applicable to the rights of any Person to bring any claim with respect to such matters. For purposes of this Section 8.4, "applicable statute of limitations" means, with respect to any particular representation or warranty, the longest limitation period that may apply (under any law) to any claim or action (asserted or brought by any Buyer Indemnified Party against Seller, by any party against Seller or any of its subsidiaries, or by or against any other Person) that relates in any way to such representation or warranty or that constitutes, gives rise to or relates in any way to any actual or alleged inaccuracy in or breach of such representation or warranty. For the avoidance of doubt, where any survival period that extends beyond [***] following the Closing (including any "applicable statute of limitations" survival period) would otherwise be limited by 10 Del. C. § 8106(a), the parties intend that 10 Del. C. § 8106(a) shall not be given effect and 10 Del. C. § 8106(c) shall apply.

Claims for Indemnification

.

(a) Subject to the terms of this Section 8.5, any Buyer Indemnified Party or Seller Indemnified Party (collectively, the "**Indemnified Parties**", or each individually, an "**Indemnified Party**") may make claims for indemnification hereunder by giving

prompt written notice thereof to Seller, in the case of claims made by a Buyer Indemnified Party, or to Buyer, in the case of claims made by a Seller Indemnified Party (such notice, a "**Claim Notice**"). If, in the case of indemnification pursuant to Section 8.1, recovery is sought against the Escrow Fund, deliver a written notice to the Escrow Agent in accordance with the procedures set forth in the Escrow Agreement. If indemnification is sought for a claim by or in respect of any Third Party (a "**Third Party Claim**"), the Indemnified Party shall deliver a Claim Notice to Seller or Buyer, as the applicable Indemnifying Party, as soon as is practicable and in any event within [***] of the time that such Indemnified Party learns of such claim; provided, however, that the failure to do so shall not relieve the party with the indemnification obligation hereunder (each an "**Indemnifying Party**", and collectively, the "**Indemnifying Parties**") from any Liability except to the extent that it is materially prejudiced by the failure or delay in giving such notice. Such Claim Notice shall state all of the information then available regarding the amount and nature of such claim (to the extent practicable) and, if applicable, shall specify the representation, warranty or covenant to which such item is related. An Indemnified Party may update a Claim Notice from time to time to reflect any change in circumstances following the date thereof.

(b) If Buyer or Seller, as applicable, shall not object in writing within the [***] period after receipt of a Claim Notice by delivery of a written notice of objection containing a reasonably detailed description of the facts and circumstances supporting an objection to the applicable indemnification claim (an "**Indemnification Claim Objection Notice**"), such failure to object shall be an irrevocable acknowledgment by Buyer or Seller, as applicable, that the Indemnified Party is entitled to the full amount of the claim for Losses set forth in such Claim Notice and such amounts shall be recovered by the Indemnified Party from the Escrow Fund (in the event the Indemnified Party is a Buyer Indemnified Party) or directly from the Indemnifying Party, subject to the limitations set forth in this Section 8.

(c) In the event that Buyer or Seller, as applicable, shall timely deliver an Indemnification Claim Objection Notice in accordance with Section 8.5(b), the Indemnifying Party and the Indemnified Party shall attempt in good faith to agree upon the rights of the respective Parties with respect to each of such claims. If Buyer or Seller, as applicable, and the Indemnified Party should so agree, a memorandum setting forth such agreement shall be prepared and signed by both Parties and the amount of agreed upon Losses shall be recovered by the Indemnified Party from the Escrow Fund (in the event the Indemnified Party is a Buyer Indemnified Party) or directly from the Indemnifying Party.

(d) If no such agreement can be reached after good faith negotiation and within [***] after delivery of an Indemnification Claim Objection Notice, the Indemnified Party shall be entitled to pursue all remedies available to it under this Agreement or otherwise under Legal Requirements or equity with respect to such claims (in each case subject to the terms and limitations set forth in this Section 8), and in the event it is finally determined that the Indemnified Party is entitled to certain Losses, the amount of the finally determined Losses shall be recoverable by the Indemnified Party from the Escrow Fund (in the event the Indemnified Party is a Buyer Indemnified Party) or directly from the Indemnifying Party.

Third Party Claims

. In the case of any Third Party claim, Seller or Buyer, whichever is the Indemnifying Party, shall have the right to direct, through counsel of its own choosing, the defense or settlement of any such claim at its own expense (subject to the limitations set forth in this Section 8). If Seller or Buyer, as applicable, elects to assume the defense of any such claim, Seller or Buyer, as applicable, shall consult with the Indemnified Party for the purpose of allowing the Indemnified Party to participate in such defense. If Seller or Buyer, as applicable, elects not to defend or if, after commencing or undertaking any such defense, Seller or Buyer, as applicable, fails to diligently prosecute or withdraws from such defense, the Indemnified Party shall have the right to undertake the defense. The Indemnifying Party shall not be entitled to assume control of such defense if (i) the third-party claim relates to or arises in connection with any criminal proceeding, action, indictment, allegation, investigation or any other matter involving a Governmental Authority; (ii) the third-party claim seeks an injunction or equitable relief against the Indemnified Party; (iii) other than with respect to a claim under Section 8.1(d), the Indemnifying Party is Seller and the Third Party claim is asserted directly by or on behalf of a Person that is a supplier or customer of the BOXR Platform or the ACTIA Platform, (iv) if determined adversely, could reasonably be expected to result in Losses in excess of the then available Escrow Fund or applicable limitations set forth in this Section 8, or (v) involves a reasonable likelihood, in the judgment of counsel to the Indemnified Party, of a material conflict of interest between the Indemnifying Party and the Indemnified Party. If Seller or Buyer, as applicable, does not so assume control of such defense, the Indemnified Party shall be the Controlling Party. The party not controlling such defense (the "**Non-controlling Party**," and the party controlling such defense, the "**Controlling Party**") may participate therein at its own expense, which expense shall not be recoverable as part of any indemnification claim; provided that, if the Non-controlling Party is the Indemnified Party, if in the reasonable written opinion of counsel there exists a conflict of interest between the Indemnifying Party and the Indemnified Party that cannot be waived, then the Indemnifying Party shall be liable for the reasonable fees and expenses of one counsel to the Indemnified Party in connection with such defense. The Non-controlling Party shall provide the Controlling Party and its counsel with access to its records and personnel relating to any such claim during normal business hours and shall otherwise cooperate with the Controlling Party in the defense or settlement thereof. If the Controlling Party elects to direct the defense of any such claim, the Non-controlling Party shall not pay, or permit to be paid, any part of any claim or demand arising from such asserted Liability unless the Controlling Party consents in writing to such payment. If the Controlling Party assumes the defense of any such claim and proposes to settle such claim prior to a final judgment thereon or to forego any appeal with respect thereto, then the Controlling Party shall give the Non-controlling Party prompt written notice thereof, and the Non-controlling Party shall have the right to participate in and approve (such approval not to be unreasonably withheld, conditioned or delayed to the extent any settlement (i) solely involves payment in full by the Indemnifying Party and a full release of the Indemnified Party and (ii) does not involve any admission by any Indemnified Party of breach, violation or wrongdoing or involve any future covenants of the Indemnified Party, other than covenants of confidentiality relating to the terms of such settlement) the settlement or assume or reassume the defense of such claim or proceeding.

Escrow Fund Release

.

(a) On the date which is [***] following the Closing Date ("**Escrow Release Date**"), and in accordance with joint instructions to the Escrow Agent, the Escrow

Amount (net of any amounts that have been paid out of the Escrow Fund to the Buyer Indemnified Party since the Closing Date and any amounts in respect of unsatisfied claims described in the proviso of this sentence (the "**Escrow Release Amount**")) shall promptly be delivered to Seller, provided, that, the Escrow Fund shall not terminate with respect to any amount which is reasonably necessary to satisfy any unsatisfied claims specified in any Claim Notice to the Escrow Agent and Seller on or prior to the Escrow Release Date, with respect to facts and circumstances existing on or prior to the Escrow Release Date. As soon as all such claims have been resolved, the Escrow Agent shall, in accordance with joint instructions to the Escrow Agent, deliver the remaining portion of the Escrow Release Amount to Seller; *provided*, *however*, that in no event shall any portion of the Escrow Fund be released if, after giving effect to such release, there would not be sufficient funds in the Escrow Fund to satisfy any unsatisfied claims specified in any such Claim Notice delivered to the Escrow Agent and Seller on or prior to the Escrow Release Date.

Right of Set-Off

.

(a) Buyer is expressly authorized, but shall not be obligated, to set off any Losses for which it is entitled to indemnification hereunder, following final resolution of the relevant indemnification claims as agreed among the relevant Buyer Indemnified Parties and Seller or pursuant to a final non-appealable order or judgment by a court of competent jurisdiction, against any Milestone Payment (directly or indirectly through the Buyer, Buyer Guarantor or any other paying agent) following the Closing.

(b) Notwithstanding Section 8.8(a) or Section 1.9, if at the time any Milestone Payment is due and payable there shall be any outstanding Claim Notice, the amount of Losses with respect to which shall not have been finally determined, then Buyer shall be entitled, but shall not be required, to withhold from such Milestone Payment the amount of Losses the Buyer Indemnified Party reasonably estimates to be subject to such indemnification claim and that is set forth in the Claim Notice. If the final amount of Losses for such indemnification claim is less than the amount withheld from such Milestone Payment for such claim, then Buyer Indemnified Party shall promptly, and in any event within [***] following the final determination of the amount of such Losses, deliver the difference to Seller. If the final amount of Losses for such indemnification claim exceeds the amount by which such Milestone Payment was reduced for such claim, Buyer shall continue to be entitled to indemnification for the amount of such excess pursuant to the terms and conditions of this Section 8.

Tax Treatment

. For all Tax purposes, Buyer and Sellers agree to treat (a) any payment of additional amounts pursuant to Section 1.9 and (b) any indemnity payment pursuant to this Agreement as an adjustment to the Total Consideration unless otherwise required by applicable law.

Section 9 - Definitions

Certain Definitions

. For purposes of this Agreement, the following terms shall have the following meanings:

(a) "**ACTIA Platform**" means the Autologous Cell Therapy Industrial Automation ("**ACTIA**") technology of Seller.

(b) "**ACTR Platform**" means the Antibody-Coupled T cell Receptor ("**ACTR**") technology of Seller.

(c) "**Affiliate**" means, with respect to any Person, any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person whether through the ownership of voting securities, as trustee, personal representative or executor, by contract, credit arrangement or otherwise.

(d) "**Approval**" means any (i) permit, license, certificate, franchise, permission, variance, exception, order, approval, clearance, registration, qualification or authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Authority or pursuant to any Legal Requirement or (ii) right under any Contract with any Governmental Authority, in each case issued or required to be issued for the conduct of the BOXR Platform or the ACTIA Platform.

(e) "**BOXR Platform**" means the Bolt-On Chimeric Receptor platform technology of Seller, which is developed to discover novel transgenes that can be co-expressed with chimeric-targeting receptors to improve T cell functionality in the solid tumor microenvironment by incorporating a "bolt-on" transgene to overcome resistance of the solid tumor microenvironment to T cell attack.

(f) "**Business Day**" means a day (i) other than Saturday or Sunday and (ii) on which commercial banks are open for business in the State of New York.

(g) "**Cash**" means the consolidated cash, cash equivalents and marketable securities of Seller computed as of the close of business of Seller on the day prior to the Closing Date in accordance with GAAP.

(h) "**Closing Purchase Price**" shall mean U.S. $8,100,000.

(i) "**Contract**" means any agreement, contract, subcontract, lease (whether for real or personal property), mortgage, license, understanding, arrangement, commitment, promise or other legally binding commitment to enter into any of the foregoing to which Seller or any of its Subsidiaries are a party or by which Seller's or any of its Subsidiaries' assets are bound.

(j) "**COPR Platform**" means Seller's Cell On-site Processing ("**COPR**") technology.

(k) "**Effect**" means any effect, change, event, circumstance, or development.

(l) "**Entity**" means any corporation (including any nonprofit corporation), partnership (including any general partnership, limited partnership or limited liability partnership), joint venture, estate, trust, company (including any company limited by shares, limited liability company or joint stock company), firm, society or other enterprise, association, organization or entity, and each of its successors.

(m) "**Escrow Account**" means the escrow account established pursuant to the Escrow Agreement to hold the Escrow Fund.

(n) "**Escrow Agent**" means Citibank, N.A.

(o) "**Escrow Amount**" means U.S. $[***].

(p) "**Escrow Fund**" means the Escrow Amount together with any interest and other amounts that may be earned thereon, as reduced by amounts released from the Escrow Account from time to time in accordance with the terms hereof and the Escrow Agreement.

(q) "**Excluded Agreements**" means the Restrictive Covenants Agreement, the Sublease, the Transition Services Agreement, and the Cross-Covenant Not to Sue.

(r) "**Existing Regulatory Filings**" means the Regulatory Documentation that exclusively relate to the BOXR Platform or the ACTIA Platform, as identified in Schedule 9.1(r).

(s) "**Fundamental Representations**" means those representations and warranties contained in Section 2.1 (Organization), Section 2.2 (Authorization and Non-Contravention), the first sentence of Section 2.3(a) (Title to Properties), Section 2.5 (Intellectual Property), Section 2.12 (CFIUS) and Section 2.13 (No Brokers or Finders).

(t) "**GAAP**" means U.S. generally accepted accounting principles, in the United States, as in effect from time to time, consistently applied throughout the periods involved.

(u) "**Governmental Authority**" means any (i) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature, (ii) federal, state, local, municipal, foreign, supra-national or other government, (iii) governmental or quasi-governmental authority of any nature (including any governmental division, department, agency, commission, bureau, instrumentality, official, ministry, fund, foundation, center, organization, unit, body or Entity and any court or other tribunal, and for the avoidance of doubt, any taxing authority) or (iv) self-regulatory organization (including Nasdaq).

(v) [***].

(w) "**IND**" means (i) any investigational new drug application, as defined in 21 C.F.R. § 312.3(b) (or any successor statute or regulation, as updated from

time to time) or any comparable application filed with the applicable Regulatory Authority in a given country or regulatory jurisdiction, the filing of which is necessary to commence or conduct clinical testing of a product in humans in such country or jurisdiction, and (ii) all supplements and amendments that may be filed with respect to the foregoing.

(x) "**Indebtedness**" means, without duplication, (i) any indebtedness for borrowed money (including the issuance of any debt security) to any Person, (ii) any obligations evidenced by notes, bonds, debentures or similar Contracts (as defined below) to any Person, (iii) any obligations for the deferred purchase price of property, goods or services to any Person, (iv) any capital lease obligations properly categorized as such under GAAP to any Person, (v) any obligations in respect of letters of credit and bankers' acceptances, or (vi) any guaranty of any such obligations described in clauses (i) through (vi) of any Person, in each case, together with all interest, fees and penalties relating to any of the foregoing.

(y) "**Intellectual Property Assets**" means: (i) patents, patent applications of any kind, patent rights, inventions, discoveries and invention disclosures (whether or not patented) (collectively, "**Patents**"); (ii) rights in registered and unregistered trademarks, service marks, trade names, trade dress, logos, packaging designs, slogans and Internet domain names, and registrations and applications for registration of any of the foregoing (collectively, "**Marks**"); (iii) copyrights in both published and unpublished works, including all compilations, databases and computer programs, manuals and other documentation and all copyright registrations and applications, and all derivatives, translations, adaptations and combinations of the above (collectively, "**Copyrights**"); (iv) rights in know-how, trade secrets, confidential or proprietary information, Regulatory Documentation, research in progress, algorithms, data, designs, processes, formulae, drawings, schematics, blueprints, flow charts, models, strategies, prototypes, techniques, Beta testing procedures and Beta testing results (collectively, "**Trade Secrets**"); (v) any and all other intellectual property rights and/or proprietary rights relating to any of the foregoing; and (vi) all goodwill, franchises, licenses, permits, consents, approvals, and claims of infringement and misappropriation against Third Parties.

(z) "**Inventory**" means raw materials (including all bulk drug substance for the Programs), work-in-progress raw materials, components, supplies, proteins, antibodies, cells, working and master cells, cell lines, cell banks, and other biological materials, in each case, exclusively related to the Programs or the BOXR Platform or the ACTIA Platform.

(aa) "**Kiq Platform**" means the precision kinase inhibitor technology of Seller, including PLX9486 and PLX0206.

(bb) "**Knowledge**" means the actual knowledge of any of [***] in each case, after due inquiry of any Person who reasonably would be expected to have such Knowledge in the ordinary course of the performance of such Person's duties and responsibilities to Seller.

(cc) "**Legal Requirement**" means any federal, state, national, supra-national, foreign, local or municipal or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Authority (including under the authority of Nasdaq or the Financial Industry Regulatory Authority).

(dd) "**Liability**" means any liability, debt, obligation, commitment, duty, responsibility, deficiency, Tax, penalty, assessment, fine, claim, cause of action or other loss, fee, cost or expense of any kind or nature whatsoever, whether asserted or unasserted, absolute or contingent, known or unknown, accrued or unaccrued, liquidated or unliquidated, and whether due or to become due and regardless of when asserted.

(ee) "**Loss**" and "**Losses**" means losses, Liabilities, Taxes, damages, interest, awards, judgments, settlement payments, penalties, fines, costs, fees and expenses, including costs of investigation, court filing fees, court costs, arbitration fees or costs, witness fees and reasonable attorneys' and accountants' fees and expenses.

(ff) "**Material Adverse Effect**" means any Effect that, considered together with all other Effects that have occurred prior to the date of determination of the occurrence of the Material Adverse Effect, has or would reasonably be expected to have a material adverse effect on the Purchased Assets or the business, financial condition, assets, liabilities or results of operations of the BOXR Platform or ACTIA Platform, taken as a whole; provided, however, that Effects arising or resulting from the following shall not be taken into account in determining whether there has been a Material Adverse Effect: (i) the announcement of the Agreement or the pendency of the transactions contemplated hereby, (ii) any change in the stock price or trading volume of Seller's Common Stock (it being understood, however, that any Effect causing or contributing to any change in stock price or trading volume of Seller's Common Stock may be taken into account in determining whether a Material Adverse Effect has occurred, unless such Effects are otherwise excepted from this definition), (iii) the taking of any action, or the failure to take any action, by Seller that is required to comply with the terms of the Agreement or the taking of any action expressly permitted by Section 5.1, (iv) any natural disaster or epidemics, pandemics or other force majeure events, or any act or threat of terrorism or war, any armed hostilities or terrorist activities (including any escalation or general worsening of any of the foregoing) anywhere in the world, (v) any change in GAAP or applicable Legal Requirement or the interpretation thereof or (vi) general economic or political conditions or conditions generally affecting the industries in which Seller operates; except, in each case with respect to clauses (iv), (v) and (vi), to the extent disproportionately affecting the BOXR Platform and ACTIA Platform or Purchased Assets, taken as a whole, relative to other similarly situated companies in the industries in which Seller operates.

(gg) "**Milestone Patents**" means any [***].

(hh) "**Nasdaq**" means The Nasdaq Stock Market.

(ii) "**Order**" means any judgment, order, writ, injunction, ruling, decision or decree of (that is binding on a Party), or any plea agreement, corporate integrity agreement, resolution agreement, or deferred prosecution agreement with, or any settlement under the jurisdiction of, any court or Governmental Authority.

(jj) "**Permitted Encumbrance**" means (i) any statutory liens for current Taxes not yet due and payable, (ii) minor imperfections of title or similar encumbrance that have arisen in the ordinary course of business and that do not (in any case or in the aggregate) materially impair the value of the Purchased Assets or materially interfere with the continued use of the Purchased Assets, (iii) statutory liens to secure obligations to landlords, lessors or renters under leases or rental agreements, and (iv) statutory liens in favor of carriers, warehousemen, mechanics and materialmen, to secure claims for labor or materials arising or incurred in the ordinary course of business.

(kk) "**Person**" means any individual, Entity or Governmental Authority.

(ll) "**Platform**" means the research, development, regulatory, manufacturing, exploitation and all other activities (including all pre-clinical study and clinical trial activities) of Seller or any Subsidiary of Seller to the extent related to the BOXR Platform or the ACTIA Platform, the Programs and the Products, any and all precursors, derivatives and conjugates of the Products, but excluding, for the avoidance of doubt, Seller's ACTR platform technology and PLX9486 technology.

(mm) "**Proceeding**" means any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, inquiry, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any court or other Governmental Authority or any arbitrator or arbitration panel.

(nn) "**Products**" means the product candidates being researched or developed using the BOXR Platform or the ACTIA Platform, including Seller's product candidate known as BOXR1030 which targets GPC-3 and contains the GOT2 transgene and [***] which targets [***].

(oo) "**Programs**" means any and all preclinical and clinical programs that relate to the BOXR Platform or the ACTIA Platform, including Seller's BOXR1030 program.

(pp) "**Regulatory Approval**" means, in a particular country or regulatory jurisdiction, any and all approvals (including pricing and reimbursement approvals), licenses, registrations or authorizations of any Regulatory Authority or any other Governmental Authority (including INDs, product approvals, pricing approvals, import permits, and, in each case any supplements and amendments thereto) necessary or useful for the testing, commercial manufacture, distribution, marketing, promotion, offer for sale, use, import, export and sale of any compound or (bio)pharmaceutical product in a given country or regulatory jurisdiction.

(qq) "**Regulatory Approval Application**" means an application submitted to the appropriate Regulatory Authority seeking Regulatory Approval of a Product in a country, including INDs and NDAs (new drug applications).

(rr) "**Regulatory Authority**" means, in a particular country or regulatory jurisdiction, any applicable supranational, national, regional, state or local regulatory agency, department, bureau, commission, council or other Governmental Authority involved in granting Regulatory Approval for a product in such country or regulatory jurisdiction, including without limitation, the FDA.

(ss) "**Regulatory Documentation**" means any and all (i) applications, registrations, licenses, authorizations and approvals, and non-clinical and clinical study authorization applications or notifications (including all INDs, Regulatory Approval Applications, Regulatory Approvals and amendments and supplements to any of the foregoing and all supporting files, writings, data, studies and reports) prepared for submission to a Regulatory Authority or any other Governmental Authority with a view to the obtaining or maintaining of any Regulatory Approval, (ii) substantive correspondence to or with the FDA, any Regulatory Authority or any other Governmental Authority, (iii) pharmacovigilance databases, adverse drug experience reports and associated documents, and investigations of adverse drug experience reports, and (iv) non-clinical, clinical and other data contained or referenced in or supporting any of the foregoing.

(tt) "**Representatives**" means directors, officers, employees, managers, agents, attorneys, accountants, investment bankers, advisors and representatives.

(uu) "**Seller Intellectual Property Assets**" means all Intellectual Property Assets owned or in-licensed by Seller or any of its Affiliates and used or held for use by Seller or any of its Affiliates, but excluding any Excluded Assets. "Seller Intellectual Property Assets" includes the Products, Seller Patents, Seller Marks, Seller know-how, and Seller Copyrights.

(vv) **"Specified Claim**" means a [***].

(ww) "**Subsidiary**" of a Person means any corporation having more than fifty percent (50%) of whose outstanding voting securities, or any partnership, limited liability company joint venture or other entity having more than fifty percent (50%) of whose total equity interest, is directly or indirectly owned by such Person.

(xx) "**Tax**" or "**Taxes**" means any federal, state, local, foreign or other tax, including any income tax, franchise tax, capital gains tax, gross receipts tax, value-added tax, surtax, estimated tax, unemployment tax, national health insurance tax, excise tax, ad valorem tax, transfer tax, stamp tax, sales tax, use tax, property tax, business tax, withholding tax, payroll tax, customs duty, alternative or add-on minimum or other tax or similar charge (whether imposed directly or through withholding and whether or not disputed), and including any fine, penalty, addition to tax, interest or additional amount imposed by a Governmental Authority with respect thereto (or attributable to the nonpayment thereof).

(yy) "**Tax Return**" means any return (including any information return), report, statement, declaration, claim or refund, estimate, schedule, notice, notification, form, election, certificate or other document or information, and any amendment or supplement to any of the foregoing, filed or required to be filed with any Governmental Authority (or provided to a payee) in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Legal Requirement relating to any Tax.

(zz) "**Third Party**" means any Person other than Seller, Buyer or one of their respective Affiliates.

(aaa) "**Total Consideration**" shall mean an amount equal to (i) the Closing Purchase Price, *plus* (ii) the aggregate amount of any Milestone Payments if and when payable pursuant to Section 1.9.

(bbb) "**Transaction Documents**" means this Agreement and any schedules or exhibits thereto, including, but not limited to, the Bill of Sale, the Sublease, the Patent Assignment, the Intellectual Property Assignment, the Escrow Agreement, the Restrictive Covenants Agreement, the Transition Services Agreement and any other agreements, instruments and documents required to be delivered at the Closing.

(ccc) "**Transferred Records**" means all books, records and recorded information maintained by Seller or any of its Affiliates (including any copies (electronic or otherwise, including e-mail messages containing such information) thereof) as of the Closing Date that exclusively relate to the BOXR Platform or the ACTIA Platform, including those listed on Schedule 1.1(e).

(ddd) "**Transferred Regulatory Documentation**" means (i) all Existing Regulatory Filings and (ii) all other Regulatory Documentation owned by Seller or any of its Affiliates (including any copies (electronic or otherwise) thereof) that exclusively relates to the BOXR Platform or the ACTIA Platform.

(eee) "**Treasury Regulations**" means the United States Treasury regulations promulgated under the Code.

Other Capitalized Terms

. The following terms shall have the meanings specified in the indicated section of this Agreement:

Term	Section
"**Acquired Contracts**"	1.1(b)
"**Acquisition Transaction**"	5.4(a)
"**Agreement**"	Preamble
"**Allocation Statement**"	1.8(a)
"**Apportioned Obligations**"	5.3(b)
"**Assumed Liabilities**"	1.3(a)
"**Bill of Sale**"	1.3(a)
"**Buyer**"	Preamble
"**Buyer Guarantor**"	Preamble

“**Claim**”	2.2
“**Closing**”	1.5
“**Closing Date**”	1.5
“**Code**”	1.8(a)
“**Continuing Employee**”	5.2(a)
“**Cross-Covenant Not to Sue**”	4.1(g)(vii)
“CSP”	10.9
“**Disclosure Schedules**”	Section 2
“**Draft Allocation Statement**”	1.8(a)
“**Employee Plan**”	2.9(e)(i)
“**Environmental Laws**”	2.10
“**Epirus Transaction**”	6.4
“**ERISA**”	2.9(a)
“**ERISA Affiliate**”	2.9(e)(ii)
“**Excluded Assets**”	1.2
“**Excluded Contracts**”	1.2(b)
“**Excluded Liabilities**”	1.3(b)
“**FDA’s**”	2.8(b)
“**FLSA**”	2.11(c)
“**Hazardous Material**”	2.10
“**Intellectual Property Assignment**”	4.1(g)(viii)
“**Key Employee**”	Recital
“**Key Employee Agreements**”	4.1(e)
“**Lease**”	1.2(d)
“**Milestone Event**”	1.9(a)
“**Milestone Payments**”	1.9
“Netherlands Commercial Court”	10.9
“**Non-Assignable Right**”	1.4(c)
“**Offer Letter**”	5.2(a)
“**Offered Employee**”	5.2(a)
“**Parties**”	Preamble
“**Patent Assignment**”	4.1(g)(iii)
“**Patent Status Report**”	1.9(a)(ii)
“**Permits**”	2.2
“**Personal Property**”	1.1(a)
“**Post-Closing Apportioned Period**”	5.3(b)
“**Pre-Closing Apportioned Period**”	5.3(b)
“**Purchased Assets**”	1.1
“**Purchased Confidentiality Rights**”	1.1(f)
“**Purchased Defenses and Claims**”	1.1(i)
“**Seller**”	Preamble
“**Seller Associates**”	2.11(a)
“**Seller Copyrights**”	2.5(a)
“**Seller Employee Plan**”	2.9(a)
“**Seller Marks**”	2.5(a)
“**Seller Patents**”	2.5(a)

"**Sublease**"	4.1(f)(ii)
"**Third Party Claim**"	8.5
"**Third Party IP Assets**"	2.5(b)(vi)
"**Top Suppliers**"	2.16
"**Transfer Taxes**"	5.3(a)
"**Transition Services Agreement**"	4.1(f)(vii)

Section 10 - Miscellaneous

Fees and Expenses

. Except as otherwise provided herein, no expenses of Seller relating in any way to the purchase and sale of the Purchased Assets hereunder and the transactions contemplated hereby, including without limitation legal, accounting or other professional expenses of Seller, shall be charged to or paid by Buyer or be included in any of the Assumed Liabilities. Except as otherwise provided herein, all fees and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses, whether or not the Closing is consummated.

Notices

. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly delivered and received hereunder (a) one Business Day after being sent for next Business Day delivery, fees prepaid, via a reputable international overnight courier service, (b) upon delivery in the case of delivery by hand or (c) on the date delivered in the place of delivery if sent by email or facsimile (with a written or electronic confirmation of delivery) prior to 6:00 p.m. New York City time, otherwise on the next succeeding Business Day, in each case to the intended recipient as set forth below:

TO BUYER:

SOTIO, LLC
180 Canal Street
Suite 300
Boston, MA 02114
Attn: [***]
Fax: [***]
Email: [***]

With a copy (which shall not constitute notice) to:

Cooley LLP
1299 Pennsylvania Avenue NW, Suite 700
Washington, DC 20004
Attn: [***]
Fax: [***]
Email: [***]

TO SELLER:

Unum Therapeutics Inc.
200 CambridgePark Drive, Suite 3100

Cambridge, MA 02140
Attn: [***]
Email: [***]

With a copy (which shall not constitute notice) to:

Goodwin Procter LLP
100 Northern Avenue
Boston, Massachusetts 02210
Attention: [***]
Email: [***]

Any notice given hereunder may be given on behalf of any party by his counsel or other authorized representatives.

Entire Agreement

. This Agreement, including the Schedules, Appendices and Exhibits referred to herein and the other writings specifically identified herein or contemplated hereby, is complete, reflects the entire agreement of the parties with respect to its subject matter, and supersedes all previous written or oral negotiations, commitments and writings. No promises, representations, understandings, warranties and agreements have been made by any of the parties hereto except as referred to herein or in such Schedules, Appendices and Exhibits or in such other writings; and all inducements to the making of this Agreement relied upon by either party hereto have been expressed herein or in such Schedules, Appendices or Exhibits or in such other writings.

Assignability; Binding Effect

. This Agreement may not be assigned by any party without the prior written consent of the other parties; provided, however, that Buyer may collaterally assign its rights and remedies hereunder in connection with any Indebtedness of Buyer or its Affiliates. Subject to the foregoing, this Agreement shall be binding upon and enforceable by, and shall inure to the benefit of, the parties hereto and their respective successors and permitted assigns.

Interpretation

. The captions in this Agreement are for convenience only and shall not affect the construction or interpretation of any term or provision hereof. The use in this Agreement of the masculine pronoun in reference to a party hereto shall be deemed to include the feminine or neuter, as the context may require. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The words “included,” “includes” or “including” (or any other tense or variation of the word “include”) in this Agreement shall be deemed to be followed by the words “without limitation.” The use of the term “ordinary course of business” shall in all cases herein mean “ordinary course of business consistent with past practices.” When reference is made in this Agreement to an Article, Section, schedule or exhibit, such reference shall be to an Article, Section, schedule or exhibit of this Agreement unless otherwise indicated. The words “hereof,” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. References to “or” will be deemed to be disjunctive but not necessarily exclusive (i.e., unless the context requires otherwise, “or” will be interpreted to mean “and/or” rather than “either/or”). References to a “day” or number of “days” (without any qualification of “business”) will be interpreted as a reference to

a calendar day or number of calendar days. If any action or notice is required to be taken or given on or by a particular calendar day, and such calendar day is not a Business Day, then such action or notice will be deferred until, or may be taken or given on, the next Business Day.

Execution in Counterparts

. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument. The exchange of a fully executed Agreement (in counterparts or otherwise) by all parties hereto by facsimile or electronic transmission in .PDF format shall be sufficient to bind the parties to the terms and conditions of this Agreement.

Amendments

. This Agreement may not be amended or modified, nor may compliance with any condition or covenant set forth herein be waived, except by a writing duly and validly executed by each party hereto, or in the case of a waiver, the party waiving compliance.

Bulk Sales Law

. Buyer hereby waives compliance with the provisions of any applicable bulk sales law and Seller agrees to hold Buyer harmless from all claims made by creditors with respect to non-compliance with any bulk sales law, if any.

Applicable Law; Jurisdiction

. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws. In any action or proceeding between any of the parties arising out of or relating to this Agreement or any of the transactions contemplated hereby, each of the parties: (a) irrevocably and unconditionally consents and submits to the exclusive jurisdiction and venue of the Court of Chancery of the State of Delaware or, to the extent such court does not have subject matter jurisdiction, the Superior Court of the State of Delaware or the United States District Court for the District of Delaware, (b) agrees that all claims in respect of such action or proceeding shall be heard and determined exclusively in accordance with clause (a) of this Section 10.9, (c) waives any objection to laying venue in any such action or proceeding in such courts, (d) waives any objection that such courts are an inconvenient forum or do not have jurisdiction over such party, (e) agrees that service of process upon such party in any such action or proceeding shall be effective if notice is given in accordance with Section 10.2 and (f) irrevocably and unconditionally waives the right to trial by jury. The parties further agree that all actions against Buyer Guarantor, as guarantor to Buyer, to enforce a final judgment obtained under this Section 10.9 may be resolved by, in addition to the courts named above, the Amsterdam District Court following proceedings in English before the Chamber for International Commercial Matters ("Netherlands Commercial Court"); an action for interim measures to enforce a final judgment, including protective measures, available under Dutch law may be brought in the Netherlands Commercial Court's Court in Summary Proceedings ("CSP") in proceedings in English; and any appeals from or against judgments issued by the Netherlands Commercial Court or CSP will be submitted to the Amsterdam Court of Appeal's Chamber for International Commercial Matters

Other Remedies; Specific Performance

. Except as otherwise provided herein, any and all remedies herein expressly conferred upon a Party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such Party, and the exercise by a Party of any one remedy will not preclude the exercise of any other remedy. The parties agree that irreparable damage for which monetary damages, even if available, would not

be an adequate remedy, would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms (including failing to take such actions as are required of it hereunder to consummate this Agreement) or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity, and each of the parties waives any bond, surety or other security that might be required of any other party with respect thereto. Each of the parties further agrees that it will not oppose the granting of an injunction, specific performance or other equitable relief on the basis that any other party has an adequate remedy at law or that any award of specific performance is not an appropriate remedy for any reason at law or in equity.

Severability

. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions of this Agreement or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If a final judgment of a court of competent jurisdiction declares that any term or provision of this Agreement is invalid or unenforceable, the parties agree that the court making such determination shall have the power to limit such term or provision, to delete specific words or phrases or to replace such term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be valid and enforceable as so modified. In the event such court does not exercise the power granted to it in the prior sentence, the parties agree to replace such invalid or unenforceable term or provision with a valid and enforceable term or provision that will achieve, to the extent possible, the economic, business and other purposes of such invalid or unenforceable term or provision.

[***Signature Pages to Follow***]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the date set forth above by their duly authorized representatives.

BUYER:

SOTIO, LLC

By: /s/ Matthew Plaud, MSM
Name: Matthew Plaud, MSM
Title: Chief Executive Officer

SOTIO N.V.

By: /s/ J.C. Jansen
Name: J.C. Jansen
Title: Director

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the date set forth above by their duly authorized representatives.

SELLER:

UNUM THERAPEUTICS INC.

By: /s/ Charles Wilson, Ph.D.
Name: Charles Wilson, Ph.D.
Title: Chief Executive Officer

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND REPLACED WITH "[***]". SUCH IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF DISCLOSED.

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made between Cogent Biosciences Inc., a Delaware corporation (the "Company"), and Andrew Robbins (the "Executive").

WHEREAS, the Company desires to employ the Executive and the Executive desires to be employed by the Company beginning on October 23, 2020, unless another date is agreed to in writing by the Company and the Executive (the "Effective Date") on the terms contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The Company shall employ the Executive and the Executive shall be employed by the Company pursuant to this Agreement commencing on the Effective Date and continuing until such employment is terminated in accordance with the provisions hereof (the "Term"). The Executive's employment with the Company shall be "at-will" and no provision of this Agreement shall be construed as altering the "at will" nature of Executive's employment, and the Executive's employment may be terminated by the Company or the Executive at any time and for any reason subject to the terms of this Agreement.

(b) Position and Duties. During the Term, the Executive shall serve as the President and Chief Executive Officer of the Company (the "CEO") and shall have such powers and duties as may from time to time be prescribed by the Board of Directors of the Company (the "Board"). In addition, the Company shall cause the Executive to be nominated for election to the Board and to be recommended to the stockholders for election to the Board as long as the Executive remains the CEO; *provided* that the Executive shall be deemed to have resigned from the Board and from any related positions upon ceasing to serve as the CEO for any reason. The Executive shall devote his full working time and efforts to the business and affairs of the Company, other than his time spent working as a member of the boards of directors of Harpoon Therapeutics and Turmeric Acquisition Corp. Notwithstanding the foregoing, the Executive may serve on other boards of directors, with the prior written approval of the Board, or engage in religious, charitable or other community activities as long as such services and activities do not interfere in any material way with the Executive's performance of his duties to the Company.

2. Compensation and Related Matters.

(a) Base Salary. During the Term, the Executive's initial annual base salary shall be $575,000. The Executive's base salary may be increased annually by the Board or the Compensation Committee of the Board (the "Compensation Committee") beginning in the first

calendar quarter of 2022; *provided* that the decision whether to increase the Executive's base salary and by what amount, if any, shall be made in the good faith discretion of the Board or the Compensation Committee. The base salary in effect at any given time is referred to herein as "Base Salary." The Base Salary shall be payable in a manner that is consistent with the Company's usual payroll practices for senior executives.

(b) Annual Incentive Compensation. The Executive shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. The Executive's initial target annual incentive compensation shall be 60% of his Base Salary, which target percentage may be increased annually by the Board or the Compensation Committee beginning in the first calendar quarter of 2022; *provided* that the decision whether to increase the target percentage and by what amount, if any, shall be made in the good faith discretion of the Board or the Compensation Committee. The target annual incentive compensation in effect at any given time is referred to herein as the "Target Bonus." The actual amount of the Executive's annual incentive compensation, if any, shall be determined in the good faith discretion of the Board or the Compensation Committee, subject to the terms of any applicable incentive compensation plan that may be in effect from time to time. The Executive's annual incentive compensation for 2020, if any, shall be pro-rated based on the number of days in 2020 occurring following the Effective Date. Except as otherwise provided herein, as may be provided by the Board or the Compensation Committee or as may otherwise be set forth in any applicable incentive compensation plan, the Executive must be employed by the Company on the day such incentive compensation is paid in order to earn or receive any annual incentive compensation. Annual incentive compensation, if any, will be paid to the Executive prior to March 15 of the year following the year for which such incentive compensation is earned.

(c) Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by him during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its senior executive officers.

(d) Other Benefits. During the Term, the Executive shall be eligible to participate in or receive benefits under the Company's employee benefit plans in effect from time to time, subject to the terms of such plans.

(e) Vacations. During the Term, the Executive shall be entitled to take vacation in accordance with the Company's applicable vacation policy as in effect from time to time for its senior executive officers. The Executive shall also be entitled to all paid holidays given by the Company to its senior executive officers.

(f) Equity. As a material inducement to the Executive to accept his offer of employment:

(i) The Executive will be granted on his first day of employment an option or options to purchase 3.5% of the Company's fully-diluted equity as of the time of his hire (the "New Hire Option"), with an exercise price equal to the fair market value of such equity based on the closing price of the Company's common stock on the date of

grant. The New Hire Option will vest over four years starting on Executive's first date of employment with the Company; 1/4th of the New Hire Option will vest on the first anniversary of the vesting start date and 1/48th of the New Hire Option will vest monthly thereafter for three years. The New Hire Option will be subject to the terms of a non-shareholder approved equity incentive plan to be approved by the Board pursuant to the "inducement exception" provided under NASDAQ Listing Rule 5365(c)(4) and applicable stock option agreements, which the Company anticipates will be similar in form to the terms of the Company's other equity incentive plans and standard stock option agreements.

(ii) [***].

The calculation of the number of shares subject to the New-Hire Option [***] will be determined based on all of the shares of the Company's common stock issued and outstanding and any securities convertible and exercisable for shares of common stock issued and outstanding (as of the date of grant for the New-Hire Option [***]), plus the unused portion of the 2018 stock option pool and shall not include any securities not yet sold as of the applicable date of grant for each such option pursuant to the Company's existing equity line with Lincoln Park Capital and at-the-market facility (but shall include any securities already sold pursuant to such line and facility). The vesting for [***] the New Hire Option [***] will be subject to your continued employment on each applicable vesting date.

This Section 2(f) is for summary purposes only and, to the extent there are inconsistencies between this Agreement and the Company's equity plans and applicable grant agreements (the "Equity Documents"), then the Equity Documents shall control.

3. Termination. During the Term, the Executive's at-will employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive's employment hereunder shall terminate upon his death.

(b) Disability. The Company may terminate the Executive's employment if he is disabled and unable to perform or expected to be unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the

Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq*. and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.*

(c) Termination by the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean: (i) conduct by the Executive constituting a material act of misconduct in connection with the performance of his duties, including, without limitation, misappropriation of funds or property of the Company or any of its subsidiaries or affiliates other than the occasional, customary and de minimis use of Company property for personal purposes; (ii) Executive's conviction of (or plea of no contest to) any felony or a misdemeanor involving moral turpitude, deceit, dishonesty or fraud, or any conduct by the Executive that results in material injury or reputational harm to the Company or any of its subsidiaries and affiliates; (iii) continued failure or refusal by the Executive to comply with the lawful and good faith directives of the Board (other than by reason of the Executive's physical or mental illness, incapacity or disability) which has continued for more than 30 days following written notice of such failure or refusal from the Board; (iv) a material breach by the Executive of any of the Continuing Obligations (as defined below); (v) a material violation by the Executive of any of the Company's written employment policies regarding matters of significance, including but not limited to its policies regarding sexual harassment or other unlawful discrimination; or (vi) the Executive's failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction of or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation.

(d) Termination by the Company Without Cause. The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement which does not constitute a termination for Cause under Section 3(c) shall be deemed a termination without Cause. A termination of Executive's employment pursuant to Section 3(a) or (b) as a result of his death or disability shall be deemed a termination without Cause for purposes of this Agreement.

(e) Termination by the Executive. The Executive may terminate his employment hereunder at any time for any reason, including but not limited to, Good Reason. For purposes of this Agreement, "Good Reason" shall mean that the Executive has complied with the "Good Reason Process" (as defined below) following the occurrence of any of the following events without the Executive's written/email consent (each, a "Good Reason Condition"): (i) a material diminution in the Executive's responsibilities, authority or duties, including a material change in reporting relationship; (ii) a material diminution of more than 10% in the Executive's Base Salary or target annual incentive compensation except for across-the-board salary or target annual incentive compensation reductions based on the Company's financial performance similarly affecting all or substantially all senior management employees of the Company; (iii) a change in the geographic location at which the Executive provides services to the Company more than 40 miles away from the current location (Boulder, Colorado); (iv) a material breach of this Agreement by the Company; or (v) the Company's failure to have any successor agree in writing to assume all of the Company's obligations to Executive under this

Agreement. For purposes of this Agreement, "Good Reason Process" shall mean that: (i) the Executive reasonably determines in good faith that a "Good Reason" condition has occurred; (ii) the Executive notifies the Company in writing/email of the first occurrence of the Good Reason Condition within 60 days of the first occurrence of such condition; (iii) the Executive cooperates in good faith with the Company's efforts, for a period of 30 days following such notice (the "Cure Period"), to remedy the condition; (iv) notwithstanding such efforts, the Good Reason Condition continues to exist; and (v) the Executive terminates his employment within 60 days after the end of the Cure Period. If the Company cures the Good Reason Condition during the Cure Period, Good Reason shall be deemed not to have occurred.

(f) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written/email Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

(g) Date of Termination. For purposes of this Agreement, "Date of Termination" shall mean: (i) if the Executive's employment is terminated by his death, the date of his death; (ii) if the Executive's employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which the Notice of Termination is given; (iii) if the Executive's employment is terminated by the Company under Section 3(d), the date on which the Notice of Termination is given or the date otherwise specified by the Company in the Notice of Termination; (iv) if the Executive's employment is terminated by the Executive under Section 3(e) other than for Good Reason, 14 days after the date on which a Notice of Termination is given, and (v) if the Executive's employment is terminated by the Executive under Section 3(e) for Good Reason, the date on which the Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

(h) Resignation of All Other Positions. To the extent applicable, the Executive shall be deemed to have resigned from all officer and board member positions that the Executive holds with the Company or any of its respective subsidiaries and affiliates upon the ending of the Executive's employment for any reason. The Executive shall execute any documents in reasonable form as may be requested to confirm or effectuate any such resignations.

4. Compensation Upon Termination.

(a) Termination Generally. If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to his authorized representative or estate): (i) (A) any Base Salary earned through the Date of Termination, unpaid expense reimbursements (subject to, and in accordance with, Section 2(d) of this Agreement); (B) any unused vacation that accrued through the Date of Termination; (C) if the Date of Termination occurs on or between January 1 and March 14 and provided that the Executive's employment is terminated for any reason other than a termination by the Company

for Cause under Section 3(c) or by the Executive without Good Reason under Section 3(e), an amount equal to the Executive's Target Bonus for the preceding year if annual incentive compensation for the preceding year has not been paid by the Company as of the Date of Termination; and, (D) provided that the Executive's employment is terminated for any reason other than a termination by the Company for Cause under Section 3(c), an amount equal to the Executive's Target Bonus for the year in which such termination occurs pro-rated based on the portion of such year that the Executive was employed by the Company, all on or before the time required by law but in no event more than 30 days after the Executive's Date of Termination; and (ii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "Accrued Benefit").

(b) Termination by the Company Without Cause or by the Executive for Good Reason Outside the Change in Control Period. During the Term, if the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates his employment for Good Reason as provided in Section 3(e), in each case outside the Change in Control Period (as defined below), then, in addition to the Accrued Benefit, and subject to (x) the Executive signing a separation agreement and release in a form and manner reasonably satisfactory to the Company, which shall include, without limitation, a general release of claims against the Company and all related persons and entities and a reaffirmation of all of the Executive's Continuing Obligations and shall provide that if the Executive breaches any of the Continuing Obligations all payments by the Company to the Executive pursuant to this Section 4(b) shall immediately cease; *provided* that, for the avoidance of doubt, such separation agreement shall not include a post-employment non-competition or customer non-solicitation restriction (the "Separation Agreement and Release"), and (y) the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination:

(i) the Company shall pay the Executive a lump sum in cash in an amount equal to the sum of (A) 12 months of the Executive's current Base Salary (or if higher, Executive's Base Salary immediately prior to any material reduction in Base Salary that constituted a Good Reason Condition) plus (B) 100% percent of the Executive's Target Bonus for the then-current year (the "Severance Amount");

(ii) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all time-based stock options and other stock-based awards subject to time-based vesting held by the Executive (including, but not limited to, the New Hire Option [***], and any performance grants with a time-based vesting component) and which would have vested (or in the case any performance grants, which could have vested) if he had remained employed for an additional 12 months following the Date of Termination (the "Time-Based Equity Awards") shall immediately accelerate and become fully vested and exercisable or nonforfeitable (the "Accelerated Vesting") as of the later of (A) the Date of Termination or (B) the Effective Date of the Separation Agreement and Release (in either event, the "Accelerated Vesting Date"); *provided* that any termination or forfeiture of any shares that may accelerate pursuant to this subsection will be delayed until the Effective Date of the Separation Agreement and Release and will only occur if the vesting pursuant to this subsection does not occur due

to the absence of the Separation Agreement and Release becoming fully effective within the time period set forth therein (at which time the unvested portion of the Executive's Time-Based Equity Awards will be forfeited). Notwithstanding the foregoing, no additional vesting of the Time-Based Equity Awards shall occur after the Executive's Date of Termination unless the Accelerated Vesting occurs; and

(iii) if the Executive was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation coverage, then the Company shall pay to the Executive a monthly cash payment for 12 months or the Executive's COBRA health continuation period, whichever ends earlier, in an amount equal to Executive's monthly COBRA premiums for himself and his eligible dependents.

The amounts payable under this Section 4(b), to the extent taxable, shall be paid or commence to be paid within 60 days after the Date of Termination; *provided*, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments, to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986 (the "Code") shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period; *provided*, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). Notwithstanding the foregoing, if the Executive breaches any of the provisions contained in Section 7 of this Agreement, all payments under this Section 4(b) shall immediately cease.

5. Severance Pay and Benefits Upon Termination by the Company within the Change in Control Period. The provisions of this Section 5 set forth certain terms of an agreement reached between the Executive and the Company regarding the Executive's rights and obligations upon the occurrence of a Change in Control (as defined below) of the Company. These provisions are intended to assure and encourage in advance the Executive's continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of any such event. These provisions shall apply in lieu of, and expressly supersede, the provisions of Section 4(b) regarding severance pay and benefits upon a termination of employment either by the Company without Cause as provided in Section 3(d) or by the Executive for Good Reason as provided in Section 3(e), if such termination of employment occurs within the period commencing 90 days prior to, and ending 12 months after, the occurrence of the first event constituting a Change in Control (such period, the "Change in Control Period"). These provisions shall terminate and be of no further force or effect beginning on the 12-month anniversary of a Change in Control.

(a) Change in Control. During the Term, if the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates his employment for Good Reason as provided in Section 3(e) and, in each case the Date of Termination occurs within the Change in Control Period, then, in addition to the Accrued Benefit, and subject to (x) the signing of the Separation Agreement and Release by the Executive, which shall be defined in the same manner as set forth in Section 4(b), except that

such Separation Agreement and Release shall provide that if the Executive breaches any of the Continuing Obligations, all payments by the Company to the Executive pursuant to this Section 5(a) shall immediately cease, and (y) the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination:

(i) the Company shall pay the Executive a lump sum in cash in an amount equal to the sum of (A) 18 months of the Executive's current Base Salary (or the Executive's Base Salary in effect immediately prior to (i) the Change in Control, or (ii) any material reduction in Base Salary that constituted a Good Reason Condition, whichever is higher) plus (B) 150% percent of the Executive's Target Bonus for the then-current year (collectively the "Change in Control Payment");

(ii) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all stock options and other stock-based awards subject to vesting held by the Executive shall immediately accelerate and become fully vested and exercisable or nonforfeitable (the "Change in Control Accelerated Vesting") as of the Accelerated Vesting Date; *provided* that (A) for any stock options or other stock-based awards that are not subject to solely time-based vesting, the vesting of performance vesting criteria will be deemed to be achieved at target performance levels and (B) any termination or forfeiture of any shares that may accelerate pursuant this subsection will be delayed until the Effective Date of the Separation Agreement and Release and will only occur if the vesting pursuant to this subsection does not occur due to the absence of the Separation Agreement and Release becoming fully effective within the time period set forth therein (at which time the unvested portion of the Executive's equity awards will be forfeited). Notwithstanding the foregoing, no additional vesting of Executive's equity awards shall occur after the Executive's Date of Termination unless the Change in Control Accelerated Vesting occurs; and

(iii) if the Executive was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation coverage, then the Company shall pay to the Executive a monthly cash payment for 18 months or the Executive's COBRA health continuation period, whichever ends earlier, in an amount equal to Executive's monthly COBRA premiums for himself and his eligible dependents.

The amounts payable under this Section 5(a), to the extent taxable, shall be paid or commence to be paid within 60 days after the Date of Termination; *provided*, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments, to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Code shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period; *provided*, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). Notwithstanding the foregoing, if the Executive breaches any of the provisions contained in Section 7 of this Agreement, all payments under this Section 5(a) shall immediately cease.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code, and the applicable regulations thereunder (the "Aggregate Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be $1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; *provided* that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (A) cash payments not subject to Section 409A of the Code; (B) cash payments subject to Section 409A of the Code; (C) equity-based payments and acceleration; and (D) non-cash forms of benefits; *provided* that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 5(b), the "After Tax Amount" shall mean the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive's receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(iii) The determination of the reduction provided in Section 5(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. For purposes of this Section 5, the following terms shall have the following meanings:

"Change in Control" shall mean any of the following:

(i) any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Act") (other than the Company, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Company or any of its subsidiaries), together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Act) of such person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing 50 percent or more of the combined voting power of the Company's then outstanding securities having the right to vote in an election of the Board ("Voting Securities") (in such case other than as a result of an acquisition of securities directly from the Company); or

(ii) the date a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election; or

(iii) the consummation of (A) any consolidation or merger of the Company (or a wholly-owned subsidiary of the Company) where the stockholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, shares representing in the aggregate more than 50% of the equity securities of the Company issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), or (B) any sale or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred for purposes of the foregoing clause (i) solely as the result of an acquisition of securities by the Company which, by reducing the number of shares of Voting Securities outstanding, increases the proportionate number of Voting Securities beneficially owned by any person to 50% or more of the combined voting power of all of the then outstanding Voting Securities; *provided*, however, that if any person referred to in this sentence shall thereafter become the beneficial owner of any additional shares of Voting Securities (other than pursuant to a stock split, stock dividend, or similar transaction or as a result of an acquisition of securities directly from the Company) and immediately thereafter beneficially owns 50% or more of the combined voting power of all of the then outstanding Voting Securities, then a "Change in Control" shall be deemed to have occurred for purposes of the foregoing clause (i).

6. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement or otherwise on account of the Executive's separation

from service would be considered deferred compensation otherwise subject to the 20% additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (i) six (6) months and one (1) day after the Executive's separation from service, or (ii) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement or the Restrictive Covenants Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

7. Continuing Obligations.

(a) Restrictive Covenants Agreement. As a condition of the commencement of the Executive's employment, the Executive is required to enter into the Employee Confidentiality, Assignment and Nonsolicitation Agreement (the "Restrictive Covenants Agreement"), a copy of which is attached hereto as Exhibit A. For purposes of this Agreement, the obligations in this Section 7 and those that arise in the Restrictive Covenants Agreement and any other agreement relating to confidentiality, assignment of inventions, or other restrictive covenants shall collectively be referred to as the "Continuing Obligations."

(b) Third-Party Agreements and Rights. The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party which restricts in any way the Executive's use or disclosure of information (other than confidentiality and non-use restrictions and invention assignment obligations with prior employers, if any), or the Executive's engagement in any business (other than his employment and noncompete agreements with Array BioPharma Inc.). The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

(c) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with the Company in (i) the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Executive was employed by the Company, and (ii) the investigation, whether internal or external, of any matters about which the Company believes the Executive may have knowledge or information. The Executive's full cooperation in connection with such claims, actions or investigations shall include, but not be limited to, being available to meet with counsel to answer questions or to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 7(c).

(d) Injunction. The Executive agrees that it would be difficult to measure any damages caused to the Company which might result from any breach by the Executive of any of the Continuing Obligations, and that in any event money damages would be an inadequate remedy for any such breach. Accordingly, the Executive agrees that if the Executive breaches, or proposes to breach, any portion of the Continuing Obligations, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable

relief to restrain any such breach without showing or proving any actual damage to the Company.

8. Arbitration of Disputes. Any controversy or claim arising out of or relating to this Agreement or the breach thereof or otherwise arising out of the Executive's employment or the termination of that employment (including, without limitation, any claims of unlawful employment discrimination whether based on age or otherwise) shall, to the fullest extent permitted by law, be settled by arbitration in any forum and form agreed upon by the parties or, in the absence of such an agreement, under the auspices of the American Arbitration Association ("AAA") in Denver, Colorado in accordance with the Employment Arbitration Rules and Mediation Procedures of the AAA, including, but not limited to, the rules and procedures applicable to the selection of arbitrators. The Company shall pay all of the arbitration fees for any such arbitration including, but not limited to, AAA administrative fees and costs, and arbitrator fees; *provided* that, for the avoidance of doubt, the Company and the Executive are each responsible for their own attorney's fees. The Executive understands that the Executive may only bring such claims in the Executive's individual capacity, and not as a plaintiff or class member in any purported class proceeding or any purported representative proceeding. The Executive further understands that, by signing this Agreement, the Company and the Executive are giving up any right they may have to a jury trial on all claims they may have against each other. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. This Section 8 shall be specifically enforceable. Notwithstanding the foregoing, this Section 8 shall not preclude either party from pursuing a court action for the sole purpose of obtaining a temporary restraining order or a preliminary injunction in circumstances in which such relief is appropriate, including without limitation relief sought under the Restrictive Covenants Agreement; *provided* that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 8. In any arbitration or other litigation between the parties that is based upon or arises out of this Agreement, the parties' employment relationship, or the termination of that relationship, the prevailing party shall be entitled to recover from the losing party its reasonable litigation costs and attorney's fees incurred in such litigation.

9. Consent to Jurisdiction. To the extent that any court action is permitted consistent with or to enforce Section 8 of this Agreement, the parties hereby consent to the exclusive jurisdiction of the appropriate State or federal courts sitting in Denver, Colorado. Accordingly, with respect to any such court action, the parties: (a) submits to the personal jurisdiction of such courts; (b) consent to service of process; and (c) waive any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

10. Integration. This Agreement, together with the Restrictive Covenants Agreement and the Equity Documents, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter.

11. Withholding; Tax Effect. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate the Executive for any adverse tax effect

associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

12. Successors and Assigns. Neither the Executive nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; *provided*, however, that the Company may assign its rights and obligations under this Agreement (including the Restrictive Covenants Agreement) without the Executive's consent to any affiliate or to any person or entity with whom the Company shall hereafter effect a reorganization or consolidation, into which the Company merges or to whom it transfers all or substantially all of its properties or assets; *provided*, further, that if the Executive remains employed or becomes employed by the Company, the purchaser or any of their affiliates in connection with any such transaction, then the Executive shall not be entitled to any payments, benefits or vesting pursuant to Section 4 or pursuant to Section 5 of this Agreement solely as a result of such transaction. This Agreement shall inure to the benefit of and be binding upon the Executive and the Company, and each of the Executive's and the Company's respective successors, executors, administrators, heirs and permitted assigns. In the event of the Executive's death after the Executive's termination of employment but prior to the completion by the Company of all payments due to the Executive under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to the Executive's death (or to the Executive's estate, if the Executive fails to make such designation).

13. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

14. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

15. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

16. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention of the Board.

17. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

18. Effect on Other Plans and Agreements. An election by the Executive to resign for Good Reason under the provisions of this Agreement shall not be deemed a voluntary termination of employment by the Executive for the purpose of interpreting the provisions of any of the Company's benefit plans, programs or policies. Nothing in this Agreement shall be construed to limit the rights of the Executive under the Company's benefit plans, programs or policies, except as otherwise provided in Section 7 hereof and except that the Executive shall have no rights to any severance benefits under any Company severance pay plan, offer letter or otherwise. In the event that the Executive is party to an agreement with the Company providing for payments or benefits under such plan or agreement and under this Agreement, the terms of this Agreement shall govern and the Executive may receive payment under this Agreement only and not both. Further, Section 4 and Section 5 of this Agreement are mutually exclusive and in no event shall the Executive be entitled to payments or benefits pursuant to both Section 4 and Section 5 of this Agreement.

19. Governing Law. This is a Colorado contract and shall be construed under and be governed in all respects by the laws of the State of Colorado, without giving effect to the conflict of laws principles of such State.

20. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

21. Conditions. Notwithstanding anything to the contrary herein, the effectiveness of this Agreement shall be conditioned on (i) the Executive's satisfactory completion of reference and background checks, if so requested by the Company, and (ii) the Executive's submission of satisfactory proof of the Executive's legal authorization to work in the United States.

22. Gender Neutral. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the Effective Date.

COGENT BIOSCIENCES, INC.

/s/ Peter Harwin
Peter Harwin
Board Chairman

EXECUTIVE

/s/ Andrew Robbins
Andrew Robbins

Exhibit 31.1

CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Andrew Robbins, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cogent Biosciences, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2020

By: /s/ Andrew Robbins

Andrew Robbins
Chief Executive Officer and President
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John Green, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cogent Biosciences, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2020

By: /s/ John Green

John Green
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Cogent Biosciences, Inc. (the "Company") for the period ended September 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Andrew Robbins, President and Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: November 9, 2020

By: /s/ Andrew Robbins
Andrew Robbins
Chief Executive Officer and President
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Cogent Biosciences, Inc. (the "Company") for the period ended September 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, John Green, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: November 9, 2020

By: /s/ John Green
John Green
Chief Financial Officer
(Principal Financial Officer)